

SOCIAL MEDIA AND THE FORTUNE 500: HOW THE FORTUNE 500 USES,  
PERCEIVES AND MEASURES SOCIAL MEDIA AS A MARKETING TOOL

Jesse Grainger

A thesis submitted to the faculty of the University of North Carolina at Chapel Hill in  
partial fulfillment of the requirements for the degree of Master of Arts in the School  
of Journalism and Mass Communication.

Chapel Hill  
2010

Approved by:

Chair: Dr. Debashis "Deb" Aikat

Reader: Dr. Daniel Riffe

Reader: Dr. Tarun Kushwaha

©2010

Jesse Grant Grainger

ALL RIGHTS RESERVED

## **ABSTRACT**

Jesse Grainger – Social Media and the Fortune 500: How the Fortune 500 Uses,  
Perceives and Measures Social Media as a Marketing Tool.  
(Under the direction of Debashis "Deb" Aikat, Daniel Riffe and Tarun Kushwaha)

This study aims to explore if and to what extent social media are being used as a marketing tool at America's largest, most prestigious companies. More specifically, this study aims to determine what social media assets the Fortune 500 (based on the 2009 list) is employing, how communication and social media professionals at these companies perceive the importance of social media as a marketing tool and how the Fortune 500 is measuring the effectiveness of social media as a marketing tool.

The rise of digital and social media has brought about significant changes in the advertising and marketing world. Firms are now being forced to look for new and different ways of communicating with consumers as social media sites such as Facebook, Twitter and YouTube have forced companies to approach consumers differently, more informally and more conversationally. This "new approach" to marketing and advertising also comes with its own set of rules to determine, identify and ultimately measure the effectiveness of social media. This study aims to explore these queries through a multi-method approach that includes Internet searches and a Qualtrics online survey.

The theoretical framework of this topic is still in its early stages of development. Much of the current theory on this topic originates from industry publications and deals with how social media and digital technologies have changed the way in which people communicate, in general, and the way in which consumers interact with products, services and companies, more specifically. This study will add to that theoretical framework by exploring how firms perceive this change in communication and ultimately how they are measuring the effectiveness of social media tools when used in their marketing programs. Moreover the literature on how the measure social media as a marketing tool is very underdeveloped. This research will offer significant and original material to the academic literature on the topic of measurement.

*This thesis is dedicated to my mother, Paula. Thank you so much for all your patience and support. I owe everything to you.*

## **Acknowledgement**

First and foremost, I would like to thank my mother, Paula, for all her love and support during this master's program. Without her I would never have made it. I would also like to thank Prof. Deb Aikat, the chair of my thesis committee, for his endless stream of advice, tireless editing, unwavering support and encouragement. I want to also thank my thesis committee members, Prof. Dan Riffe and Prof. Tarun Kushwaha, for their time and patience during this process. I really appreciate all of the advice and direction. Thanks also to all my friends and colleagues in the School of Journalism and Mass Communication.

And finally, thank you to all the communications professionals who participated in this survey. I understand how busy their lives can get, and I appreciate that they took the time to help me with my master's thesis.

Thank you.

## TABLE of CONTENTS

LIST OF TABLES.....	ix
LIST OF FIGURES.....	x
Chapter	
I. INTRODUCTION.....	1
Theoretical Framework.....	5
II. LITERATURE REVIEW.....	12
Overview.....	12
Social Media Usage Among Consumers.....	13
Social Media Usage Among Companies.....	15
Word of Mouth (WOM) Marketing.....	19
Resource Allocation.....	20
Return on Investment (ROI).....	21
Summary.....	25
Research Questions and Expected Findings.....	27
III. METHOD.....	30
Method Snapshot.....	30
Sample.....	33
Recruiting Participants.....	34
Limitations and Caveats.....	36
IV. RESULTS AND DISCUSSION.....	42
Social Media Snapshot.....	42

SPSS Analysis.....	50
V. CONCLUSION.....	70
APPENDIX A: THE QUESTIONNAIRE.....	74
APPENDIX B: IRB APPROVAL LETTER.....	81
REFERENCES.....	83



## LIST OF TABLES

### Table

1. Table 4.1 .....	43
2. Table 4.2 .....	53
3. Table 4.3 .....	54
4. Table 4.4 .....	56
5. Table 4.5 .....	58
6. Table 4.6 .....	62
7. Table 4.7 .....	62
8. Table 4.8 .....	63
9. Table 4.9 .....	64
10. Table 4.10 .....	64
11. Table 4.11 .....	65
12. Table 4.12 .....	66
13. Table 4.13 .....	67

**LIST OF FIGURES**

Figure

Figure 1.1.....	3
Figure 2.1.....	18
Figure 4.1.....	45
Figure 4.2.....	46
Figure 4.3.....	47
Figure 4.4.....	69

“Social Media is like teen sex. Everyone wants to do it. Nobody knows how. When it’s finally done there is surprise it’s not better” (White-Cabbel, 2009).

## **CHAPTER ONE**

### **Introduction**

Since the mid-1990s, the rise and development of online media have revolutionized the way in which individuals communicate. The world is becoming increasingly digital, networked, and interlaced by myriad communication tools that have taken self-expression to an unprecedented level. These digital tools have suddenly given nearly everyone not only a voice and a stage, but an audience as well. Now, more than ever, individual opinion matters. “We” are now exceedingly difficult to ignore.

In the fickle, yet strangely systemic world of marketing and advertising, old models of push marketing have been radically altered to make way for more “pull-centric” approaches (Godin, 1999). Gone are the days when television ads and radio announcements simply “pushed” products and pre-packaged marketing messages in front of and on to the consumer. Gone are the days when consumers had only limited venues through which to react to marketing communications and assert their individual voices.

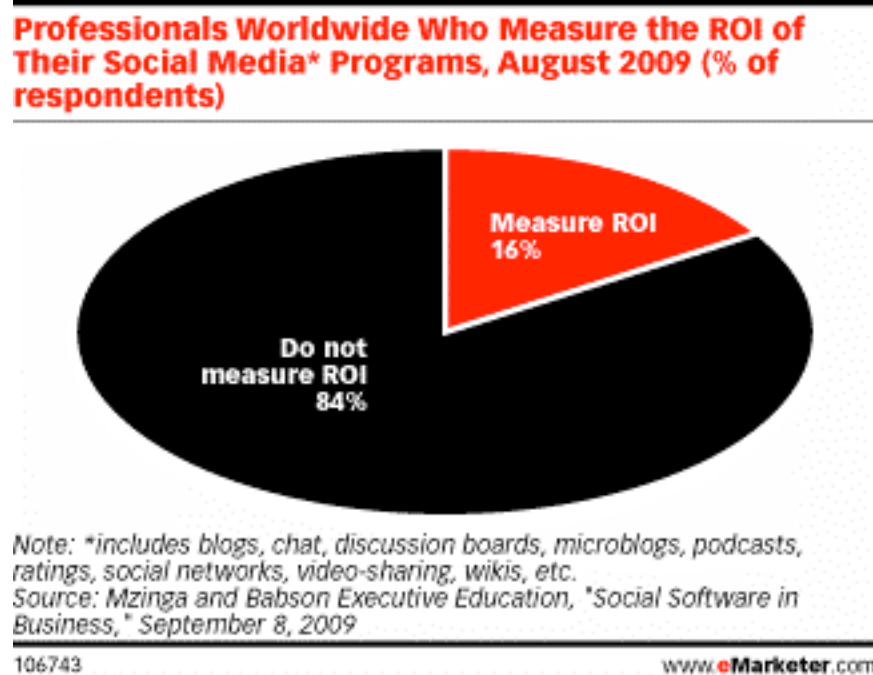
Today’s digital world is an ever-widening two-way street on which the balance of power between marketer and consumer is perennially shifting, changing, even morphing. As a result, marketers have had to repackaging their messages to fit the growing demands of evolving communication technology.

Indeed, social media are not exclusively American phenomenon, or even just a Western occurrence. The rise of digital social media has had an impact the world over, and companies are beginning to respond (Ostrow, 2009).

Companies are often afraid of the brave new social media world for a variety of reasons – they don't understand it, don't think they need it, or find it beneath them; however, the most common fear surrounding the media involves the age-old question of return on investment (ROI). How do you measure the effectiveness of social media as a marketing tool?

A groundbreaking 2009 survey by Mzinga and Babson Executive Education found that 86% of marketing professionals in a variety of fields were using social media in their marketing and communication efforts (Koutalakis, 2009). However, a follow-up survey by the same group found that 84% of respondents said, "they don't currently measure the ROI (return on investment) of their social media programs" (Warren, 2009).

**Figure 1.1: Professionals Measuring the ROI of Social Media Marketing Campaigns Worldwide**



**Figure 1.1:** This chart from a 2009 Mzinga and Barbsom Executive Education study illustrates graphically the percentage of professionals worldwide who do and do not measure the ROI of social media marketing campaigns. The 2009 study found that 84% of professionals are not calculating the ROI of social media marketing campaigns.

Furthermore, “more than 40% of respondents said they didn’t even know whether they could track ROI from their social tools. This is worrisome because it indicates that industries and professionals are adopting technology without actually taking into account how it will impact their business and what value it will add” (Warren, 2009).

To answer these queries, I have designed a multi-method research project that employs Internet searches and a Qualtrics web survey. The survey will be a study on how Fortune 500 companies measure the effectiveness of social media as a

marketing tool. In order to complete the survey, I will be sending a questionnaire to social media professionals at each Fortune 500 Company present on the 2009 list.

Before addressing relevant literature, it is first important to define social media. Essentially, social media, including sites such as Facebook, MySpace Twitter, and blogging, allows for individuals to talk, chat, post, comment, and/or tweet about a product or advertisement in real time, in a variety of spaces, and with little restriction. Thus, marketers have to engage, participate in, and attempt to influence these spaces in order to monitor what is being said about their products and to intercept negative or unwanted conversations.

Companies have begun entering the social media sphere at a stunning pace, but where exactly are they invading (Koutalakis, 2009)? Questions surrounding what social media spaces companies are entering, why they are entering them, how they are using the space, what they are saying, and ultimately how they are measuring the effectiveness of social media as a marketing tool have become central issues in the race to keep up with the world's shifting media environment.

To be truthful, there really is not a "standard" definition. In fact, when one visits the Wikipedia page for the term, the user is met with a large exclamation mark at the top of the page followed by, "This article or section has multiple issues. Please help improve the article or discuss these issues on the talk page" ("Social Media," 2009).

Wikipedia goes on to offer this rather formal definition: "Social media are media designed to be disseminated through social interaction, created using highly

accessible and scalable publishing techniques. Social media use Internet and web-based technologies to transform broadcast media monologues (one to many) into social media dialogues (many to many)” (“Social Media,” 2009). It’s interesting to note that social media (i.e., Wikipedia) are having difficulty defining themselves.

Though Wikipedia does offer some sort of description, many industry insiders still struggle with the media’s exact definition. Jim Tobin, author of the best-selling *Social Media is a Cocktail Party* and president of Ignite Social Media, writes, “social media describes online technologies (Internet-based, phone-based, or widget-based) that allow people to share content, opinions, insights, experiences, perspectives and media themselves” (2008).

Even more simply, Tobin writes, “think of social media as tools that empower people to self-publish” (2008). This “self-publishing” can take on a variety of forms including blogging, Tweeting, Facebook messaging, or commenting (Tobin, 2008).

## **Theoretical Framework**

The theoretical and conceptual framework surrounding social media more generally - how it works and how it applied to the corporate world - can be described as nascent, at best. The theoretical and conceptual work discussed in this study comes from the professional world rather than the academic. Three concepts, in particular, have become staples of social media-focused conversations: the Cocktail Party, Groundswell and Permission Marketing concepts.

The Cocktail Party concept originated from Jim Tobin in 2008 with the release of his book, *Social Media is a Cocktail Party: Why You Already Know the Rules*



*of Social Media Marketing*. Tobin compares social media marketing to conversations at a cocktail party. He writes, “The ones [social media marketing campaigns] that worked online were the same ones that would’ve worked at a cocktail party. The ones that failed online were the same ones that would’ve failed at a cocktail party” (p. 2).

The author goes on to delineate ten cocktail party rules that companies must embrace before jumping into the complex world of social media marketing. Such rules include listening and mingling before talking, keeping the conversational thread going naturally, sharing information that doesn’t benefit you, and sharing what you know, but in context (Tobin, 2008).

By utilizing this cocktail party metaphor, Tobin highlights how social media has helped to make communication a very direct practice, and that companies can use social media to communicate directly to their consumers. Consumers and companies, Tobin posits, are now, due to the growth and proliferation of social media, beginning to communicate in informal, authentic and direct ways with their consumers in a manner reminiscent of a cocktail party (2008).

Social media have altered the way people communicate. Now, there are fewer and fewer middlemen separating the consumer from the company. Companies and consumers have the power to talk directly to each other about anything – grievances, product ideas, praise and/or feedback. Tobin’s cocktail party analogy illustrates that this new form of communication is not only direct, but also informal and constant (2008).

Charlene Li and Josh Bernoff's work, *Groundswell: Winning in a World Transformed by Social Technologies*, discusses how digital technologies such as social media have allowed consumers to talk to *each other* more freely. The authors' Groundswell concept focuses on how consumers draw heavily from each other when gathering information about or commenting on a product or service rather than looking to the company producing the product or the marketers telling the consumer about the product. Thus, companies and marketers are being forced to enter these conversations across an array of digital platforms in order to influence such exchanges (Li & Bernoff, 2008).

The authors deem such unsolicited conversations to be a "groundswell" of digital chatter created when consumers talk to each other about a company, service or product, rather than *to* or *through* the company itself. "Simply put," the authors write, "the groundswell is a social trend in which people use technologies to get the things they need from each other instead of from companies" (Li & Bernoff, 2008). The authors discuss how this uncontrolled, untamed and continually evolving conversation can be either a serious problem for companies or a grand opportunity depending on how the company reacts to digital conversations.

Both of these concepts, Cocktail Party and Groundswell, illustrate how communication among consumers has changed dramatically over the last few years; how direct, instant and often real-time communication is beginning to define today's consumer. However, the two also discuss in great detail how proper usage of social media can be harnessed to infiltrate, influence and even control these new advances

of consumer communication. Whether through a blog, Facebook post, Tweet or YouTube video, social media tools allow, these authors argue, for the type of direct communication warranted by today's evolving media environment.

Seth Godin builds upon the power given to consumers because of the rise of digital and social media with his broader, more detailed Permission Marketing concept. Godin describes the old push model of marketing, interruption marketing (1999). Some examples of interruption marketing include commercials during television programs and full-page ads in magazines. This onslaught of information, as Godin terms it, creates a chaotic and cluttered information space. Consumers get turned off very easily by such clutter and, in turn, are turned off by the advertisements themselves. As a result, marketers are beginning to ask for the permission of the consumer in order to advertise to them, and doing it in very unique ways.

Godin rather famously proclaims, "Mass media is dead. Long live niche media" (p. 29). With this statement Godin points out that marketers now have to target niche forms of media to effectively reach consumers. "Direct marketing breaks through the clutter," Godin finds (p. 34).

Godin then compares reaching a consumer effectively to a marriage. He states that the marketer has to first introduce himself or herself directly, court that consumer over a period of time and then wait until the right time to pop the question (i.e. advertise to them). Finally, the marketer has to continue attending to

that consumer on a direct, individual level because “permission can be canceled at any time” (p. 45).

Interestingly enough, Godin coined this concept of Permission Marketing at the dawn of the digital media age, 1999. Email was just beginning to be popularized, online forums were just materializing, and social media was nearly non-existent. There was no Facebook, Twitter, MySpace or YouTube during this time. Godin’s concept of permission marketing was revolutionary in the sense that once it was coined, there were still a relatively scarce amount of tools available through which to ask permission.

Now, with the growth of social media outlets, marketers have a plethora of tools through which to cut through the clutter and begin to ask for that all-important permission. Organizational theory sheds light on how these tools could benefit a company.

Meyer and Rowan stated, “Organizations that incorporate societally legitimated rationalized elements in their formal structures maximize their legitimacy and increase their resources and survival capabilities” (1977). It can be argued that social media have emerged over the past decade as a “societally legitimated rationalized element,” tools that would be beneficial to utilize by an organization.

Moreover, the authors go on to discuss some of the benefits of tight coupling (monitoring and assessing customers and recourses and reacting to them) by stating, “The use of external assessment criteria can enable an organization to

remain successful by social definition, buffering it from failure” (Meyer & Rowan, 1977).

The authors posit that organizational success “depends on the ability of given organizations to conform to, and become legitimated by, environmental institutions” and for leadership in these organizations to understand “changing fashions and governmental programs” (Meyer & Rowan, 1977). The authors often highlight the benefits of tight coupling in contrast to loose coupling (when an organization ignores its audience and takes steps to maintain the routine). Thus, there is evidence within the organizational theory literature that exploring and reacting to external environmental trends (i.e., the emergence of social media as a marketing tool) and consumer behavior patterns leads to organizational success.

Moving away from the potential benefits of adopting social media (i.e., external environmental trends), there is also a notion within organizational theory that firms imitate competition when uncertain about a trend (DiMaggio & Powell, 1983). The trend, for the purposes of this paper, is the increased adoption of social media as a marketing tool by firms. Some firms may be adopting social media simply because their competition is, and they are still unsure how to use the media. Thus, if the competition is not using social media, then a firm is less likely to adopt them as a marketing strategy. However, if a company such as Nike is using social media to promote its latest shoe line, odds are, according to this line of thinking, that Reebok is very likely to imitate that strategy (or vice versa). On the same token if Exxon Mobile is not using any form of social media to connect with consumers, then

Shell would be less motivated to do so either. This notion can explain why some industries may use social media more so or less so than others.

## **CHAPTER TWO**

### **Literature Review**

#### **Overview**

The academic literature addressing social media can be described as scarce at best. In the past few years, researchers have begun taking a more-than-passing glance at how companies are applying social media to marketing efforts, why they are entering these digital spaces, and ultimately what the results of this shift into online spheres has been.

Much of what is available focuses primarily on how various aspects of social and online media work. However, after a more in-depth survey of the material and the inclusion of industry blogs, the literature appears to have five distinct research themes of scholarship that exist in reference to corporate usage of social media and how it is measured.

The first area deals with how and in what capacity consumers are using social media, followed by a corresponding section touching on how companies are beginning to utilize social media. The third area focuses on theories related to word of mouth (WOM) marketing and how it relates to social media, while the fourth area relates to resource allocation and how companies allocate media budgets for a marketing campaign. The final area focuses on return on investment (ROI). The ROI

literature is the most underdeveloped mostly because companies are still attempting to get a grasp on how to calculate the ROI of more-traditional marketing efforts, much less taking into account new media tools. Though this area is thin, some researchers, practitioners, and opinion writers are beginning to seriously ponder the matter of social media and ROI.

### **Social Media Usage Among Consumers**

There is a rather substantial amount of literature focusing on how consumers use the Internet and communicate online. Li and Bernoff (2008) compiled a series of tables using 2007 Technographic surveys from Forrester Research to offer a general overview of the digital landscape. According to Forrester, 25% of U.S. online customers are using blogs and user-generated content, approximately 25% are visiting social networking sites, another 7% are using tags, and 8% are using RSS feeds. The authors state that 18% of U.S. consumers participate in discussion forums, 25% read ratings and reviews, while 11% post ratings and reviews.

Furthermore, consumers' online behavior is broken up into six often-overlapping categories: creators, critics, collectors, joiners, spectators, and inactives (Li & Bernoff, 2008). This categorization is known as the Social Technographics Ladder, and with it "we can understand how social technologies are being adopted by any group of people" (p. 43). The authors go on to note, "if that group happens to be your customers, you can use their Social Technographics Profile to build an appropriate social strategy" (p. 44).



In order to better understand how individuals are using certain elements of social media, Huang, Shen, Lin, and Chang (2007) conducted a survey to determine some of the key motivations and behaviors of Taiwanese bloggers. They found that some of the key motivations of bloggers are self-expression, life documenting, commenting, community forum participation, and information seeking. More specifically, interaction via blogging is driven by the motivations of self-expression, life documenting, and commenting, while content gathering by blogging is driven by motivations of commenting, forum participation, and information seeking.

Along these same topical lines, Teich (2008) explored ways in which companies could use information-seeking tendencies of blog writers and readers to win over consumer decision-makers online. Teich found that, "Whether companies decide to participate in the online conversation or not, they and their products are being discussed" (p. 261). People do want to explore information about products and share their opinion about those products; however, companies must engage in online discussions to "maintain credibility and support their brands" (p. 262). One of the author's more compelling statistics for the importance of blogging is that in 2007, Technorati, a popular Internet blog search engine, reported 50% of U.S. Internet users were blog readers, a number that translates into more than 94.1 million Americans. She states that blogging should be an essential portion of any social media strategy because of its potential reach and influence.

## Social Media Usage Among Companies

Teich (2008) praises blogs and states that all companies should have one, but offers very little warning as to the dangers of blogging. In *The Misuse of Social Media: Reactions to and Important Lessons from a Blog Fiasco*, Kelli S. Burns (2008) takes a close look at a blog sponsored by Working Families for Wal-Mart that chronicled a couple's RV trip across America and their positive impressions of Wal-Mart. The blog turned out to be a poorly planned publicity stunt that received an array of national attention and began to make many wonder about the ethics of the blogosphere. The author explores the topic of blog ethics through the lens of a content analysis that focuses on the public reaction to the knowledge that the Wal-Mart blog ([www.walmartingacrossamerica.com](http://www.walmartingacrossamerica.com)) was, in fact, not genuine.

Burns (2008) focuses on responses posted to the "6 a.m. blog" written by Richard Edelman, CEO of the Edelman PR firm that produced the blog. She finds that although many respondents left angry comments, most of the statements fell into the category of "an acceptance of mistakes and a willingness to learn from Edelman's mistakes, notes the company's improvements, and to move on" (p. 44). Thus, Burns looks at the perils of voluntarily entering the blogosphere and how not approaching social media in a careful, thoughtful manner may have adverse effects for a company.

Looking beyond blogging, some companies are beginning to incorporate more comprehensive online strategies into their overall marketing efforts. An online presence is no longer viewed as something that is peripheral or an add-on,

but is now something that is at the core of a company's marketing efforts (Edelman, 2007).

Companies are moving online media to the core of their programs because of how often consumers use social media for information-gathering purposes.

Consumers often use social media to learn about a company, its products, and/or customer care issues (Barnes, 2008). In fact, more than 70% of U.S. consumers use social media to engage in customer care research, read about other consumer opinions, and share their own experiences (Edelman, 2007). Respondents to a 2008 survey state that they use interactive tools such as search engines, online rating systems, and discussion forums to learn about a product or company, in particular to learn about the customer care offered (Barnes, 2008). As a result, U.S. companies are adopting social media tools at a "tremendous speed" (Barnes & Mattson, 2008).

As mentioned earlier in the introduction, 86% of marketing professionals are using social media in their communications and marketing efforts. The top platforms being utilized were Facebook (74%), YouTube (65%), Twitter (63%), and LinkedIn (60%) (Ostrow, 2009). Moreover, "59% of brand marketers currently use social media. But within 12 months, that number will swell to 82%. And in the long run, only 13% indicate having no plans to enter the medium" (Ostrow, 2009). Why the increase?

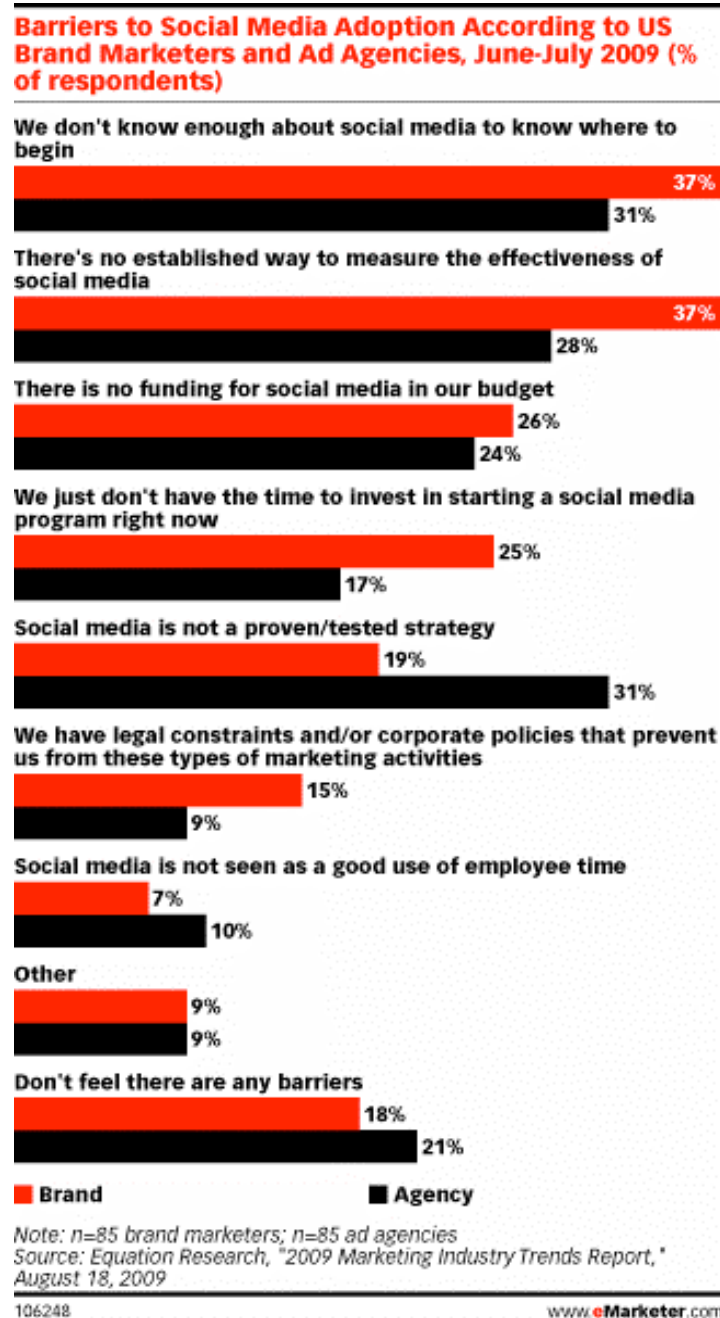
A study published in August 2009 by eMarketer found that "52% of social network users had become a fan or follower of a company or brand, while 46% had said something good about a brand or company on a social networking Website—

double the percentage who had said something negative (23%)” (Ostrow, 2009).  
Simply put, companies are being spoken about and interacted with online.

To shed light on these percentages, Li and Bernoff (2008) cite case studies in *Groundswell* as examples of how social media usage is a major asset to companies. The authors cite Dell to illustrate how a company can use social media to aid in product development, Bell Canada, Avenue A/Razorfish, and Best Buy as examples of how a company can use social media to improve/streamline internal affairs, and salesforce.com and Credit Mutuel as examples of how to use social media to exchange ideas about products and promotions with customers.

These findings beg the question: with so many high-profile companies embracing social media as a marketing tool and being successful with it, why aren’t all companies entering the social media stratosphere? This 2007 survey illustrates some of the barriers (Ostrow, 2009).

**Figure 2.1: Barriers to Firms Adopting Social Media Marketing Tools**



**Figure 2.1:** This bar graph illustrates many of the most serious perceived obstacles standing in the way of firms adopting social media as a marketing tool. Not surprisingly, not knowing enough about social media tools (a.k.a. "where to begin") and not knowing how to measure social media as a marketing tool are the two top barriers for many professionals according to this 2009 Marketing Industry Trends report for not utilizing social media as a marketing tool.

Thus, companies are often not entering social media spaces because of a variety of reasons, the most significant of which being that they do not know where to begin (37%) and don't know how to measure its effectiveness (37%) (Ostrow, 2009). To address this issue of where to begin, the following section looks at how social media mimics what many marketers already know about connecting with consumers.

### **Word of Mouth (WOM) Marketing**

The mandate to "go social" may make more traditional marketers feel threatened and uncomfortable. However, much of the premise behind social media marketing is found in simple word of mouth (WOM) techniques. For years, companies have been employing WOM principles to market their brands, products, and services. WOM is one of the "most influential channels of communication in the marketplace" because it is often seen as more "credible than marketer-initiated communications" (Allsop, Bassett, & Hoskins 2007, p. 398). The influence of WOM as a marketing tool has only heightened with the advent of such information channels as the Internet, cell phones, PDAs, instant messaging, and blogs.

Research indicates that it is the moderately connected majority, not the much smaller number of highly connected minority, who holds the greatest potential of influence when it comes to electronic WOM (Smith, Coyle, Lightfoot, & Scott, 2007). Thus, marketers have to learn how to infiltrate broad conversations with a plethora of starting and end points, navigating a maze of linguistics with no beginning or end.

Also as Barnes (2008) indicated, influencers (i.e., bloggers) are primarily motivated by a desire to help others (Smith et al., 2007).

Tobin (2008) takes the discussion to an even more base level by comparing social media marketing not to WOM marketing, but to conversations at a cocktail party. He writes, “The ones [social media marketing campaigns] that worked online were the same ones that would’ve worked at a cocktail party. The ones that failed online were the same ones that would’ve failed at a cocktail party” (p. 2).

He goes on to delineate ten cocktail party rules that apply to social media marketing. Such rules include listening and mingling before talking, keeping the conversational thread going naturally, sharing information that doesn’t benefit you, and sharing what you know, but in context (Tobin, 2008). These rules give credence to the notion that social media marketing is less alien than many marketing and communication professionals may think.

### **Resource Allocation**

Several studies illustrate how companies have to readjust their resource allocation practices when it comes to media selection in today’s increasingly digital environment.

Studies suggest that pulse advertising (i.e., advertising in some weeks of the year and not in others) is preferable to continuous advertising (evenly distributing a media budget over the course of a year) because it avoids over-saturating the market with marketing messages. However, it is difficult to generate the “pulse” in

pulse advertising in the presence of social media, a technology that promotes a continual discussion that mutes most pulse efforts (Niak, Mantrala, & Sawyer, 1998).

Though social media can work against the forces of pulse advertising, it does offer marketers the unique opportunity to more precisely target consumer segments within a market (Iyer, Soberman, & Villas-Boas, 2005). Marketers now have the luxury of targeting market segments very specifically; however, the question of how to measure those specific Tweets, conversations, comments, and posts is just beginning to become a major concern.

One of the reasons for this difficulty is the “lag effect” that occurs as a result of digital marketing (Berkowitz, Allaway, & D’Souza, 2001). The lag effect occurs when a marketing effort has an effect on a product or company but not until well into the future. Researchers are beginning to adapt old advertising models to include this often-frustrating lag effect so that more-accurate ROI measures may be adopted. Once one can understand the actual effects of a campaign (even if it is months into the future), and then one can begin to more accurately measure its results.

### **Return on Investment**

ROI is an exceedingly complicated topic that continues to be debated about in traditional media circles. Writers are just beginning to scratch the surface of how to measure ROI for social media marketing campaigns.



In fact, a recent study by the conference board finds that traditional ROI calculation is still in its early stages of development (Crosby, 2009). Nearly one-third of the marketing firms surveyed have made no efforts to measure ROI and another third have only been working on developing an ROI model for less than the last two years. The author goes on to state that it is “time to get serious about marketing ROI” (p. 2).

An opinion writer for *Advertising Age* also proclaimed that it was time to “get serious” about monetizing social media before the media grew too large for ad agencies and marketing firms to control (Schafer, 2008, p. 7). Though social media is in the early stages of ROI discussions, the digital, non-social world seems to have made some progress.

In 2008, Google released a study chronicling the effects of an online display campaign for Unilever’s Dove deodorant. Google found that the campaign resulted in a \$530,000 sales lift for the product and a “13-percentage-point increase in favorability ratings” (Neff, 2008, p. 2). Moreover, Yahoo!, in a joint study with MediaVest, found that search ads generated an average of 160% increase in unaided brand awareness.

Such numbers have caused some to ponder, “is the Internet more effective than traditional media?” (Yoon & Kim, 2001, p. 53). A 2001 survey found that Internet advertising was viewed by consumers as the “best medium in terms of media preference but lagged behind TV in advertising effectiveness” (p. 58). Thus,

the Internet is fast emerging as an important media choice for many, but is also not quite as effective as other forms of more traditional advertising.

With that said, Kellogg recently announced that it had plans to cut its commercial filming budget up to 20% because it was receiving such a high ROI from its digital efforts (York, 2008). Furthermore, this example seems to indicate that companies do have ways of measuring social media.

It appears as if digital, non-social media is receiving more and more academic attention, while social media is just beginning to enter the conversation. Currently, the bulk of the social media ROI conversation appears to be online. One blog in particular that has given special attention to this topic is “Mashable.com.” Mashable is “the world's largest blog focused exclusively on Web 2.0 and Social Media news” (Cashmore, 2009). The site receives more than 12.5 million monthly page views and has emerged as one of the most authoritative blogs on “all matters social media.”

Blogger Aaron Uhrmacher posted in 2008, “because these [goals for a social media marketing strategy] dramatically differ based on the organization, it’s impossible to agree upon standards. That doesn’t mean we can’t measure ROI at the company level, though.” Uhrmacher divides ROI measurement techniques into qualitative (measuring things like corporate reputation, conversations, and/or customer relationships) and quantitative approaches (traffic, sales, and/or search engine optimization ranking) and ends by stating that whatever the approach is by a company, “without some sort of benchmark, it’s impossible to determine your ROI.”

Christina Warren (2009), another blogger for Mashable, builds upon Uhrmacher's (2008) post by writing that marketers have to first set "concrete goals" in order to calculate social media ROI. Then, "once your goals have been defined, you need to gauge the baseline for your levels before stating or changing your social media strategy."

Warren (2009) asserts that ROI does not mean you simply look at metrics (click through rates, how many Facebook friends you have, Twitter followers, etc.). Though these metrics are important, the "trick" is to look at where these numbers are leading. For instance, does an increase in website visitors correlate with higher sales? Are people who find your website from Twitter or Facebook then clicking on your product pages or going to the e-Commerce section of your site?

As an example, Warren (2009) explains how to track an increase in sales back to social media marketing efforts:

If your ultimate measurement is sales for instance, look at your sales level. If it has increased, look at the number of referrers on your e-commerce site (assuming you can track this data) from your website or Twitter or the number of coupons used that were given away in a Facebook campaign to start calculating which sales stemmed from your social media campaigns.

Do you see any trends? Is traffic up to your store after posting on Facebook? What about Twitter? Does store traffic correlate with more sales when evaluating that same data? Does a higher sentiment analysis on Twitter lead to more sales or more visits?

Li and Bernoff (2008) build upon some of Mashable's concepts. To illustrate the ROI of a blog, Li and Bernoff set up a hypothetical "high-level executive blog for a large company" (p. 112). After breaking down the costs for launching a high quality executive blog and updating it for a year (nearly \$300,000), the authors

present a benefit analysis detailing areas where the blog recoups investment. Such areas include advertising value for the company, public relations, word-of-mouth, support, and research value. The authors estimate that the total annual benefit for such an investment would be around \$400,000. However, such a profit could only be made after the blog launchers followed certain steps including listening to what was going on in the blogosphere, determining a goal for the blog, estimating ROI, developing an editorial process, and designing the blog and its connection to your corporate website. The authors performed this same breakdown of cost and profit analysis with brand ambassador programs, ratings and reviews, and support forums.

Tobin (2008) finds social media marketing to be “extremely measurable” (p. 174). He recommends looking at case studies for guidance on how to measure social media ROI but finds that there are no “apples-to-apples” examples. Tobin’s approach to measurement appears to be very similar to Warren’s (2009) but with a few more details including establishing social media objectives, reviewing baselines, developing metrics of success, frequently monitoring and reporting, and tweaking and responding to the changing media environment.

All cited authors stress the need to set benchmarks, understand where a brand or product currently stands, and use a variety of tools in order to measure social media ROI.

## **Summary**

The literature suggests that social media usage among individuals has been growing over the past few years and continues to increase (Li & Bernoff, 2008).

Companies are responding to this growing trend by incorporating digital and social media into their advertising and marketing programs (Teich, 2008). In fact, 86% of marketing professionals are using social media as part of their communications and marketing efforts (Koutalakis, 2009). For those companies and professionals not using social media as a marketing tool, one of the primary barriers for not doing so is that “there is no established way to measure the effectiveness of social media” (Ostrow, 2009). In fact, approximately 84% of professionals worldwide do not measure the ROI of social media (Warren, 2009).

Measurement of social media as a marketing tool appears to be the most significant issue arising from the literature. While there is general agreement in professional literature that firms *can* measure social media marketing tools, opinions on *how* to measure social media appear to be an entirely different issue. Are qualitative metrics more effective or popular than quantitative metrics? What steps do professionals take to measure the effectiveness of social media as a marketing tool? More generally, what social media assets are companies actually employing? The literature seems to point to the fact that social media is growing in influence as a marketing tool, but what about specifics? What tools are companies employing?

Moving away from the tools themselves, the literature addresses the fact that social media is growing in influence as a marketing tool and that consumers are using these tools more often to communicate; however, the literature does not discuss how communication professionals perceive this transition and if they believe that social media is an important marketing tool or if it is just an over-hyped

fad. How do communication professionals really feel about this digital transition? Are social media all hype and no substance? This study aims to explore these inquiries within the context of the Fortune 500. Furthermore, it will contribute to theories and concepts related to how companies are reacting to the rise in social media as a marketing tool.

The concepts mentioned address how companies must function in and react to today's digital media environment. This research *also* addresses how companies function in and react to today's media environment, with an emphasis on how they measure the effectiveness of advertising campaigns. This study broadens the research around how companies are reacting to digital technology and looks at more than just *what* tools they are employing (though that is addressed here) and explores *how* they are measuring the tools they are employing in response to today's media evolution. One of the most significant holes in the academic literature comes from the fact that academic writers have not addressed the issue of *how* firms are measuring and calculating the effectiveness of social media as a marketing tool. What little work written on this matter comes from the professional world. This study aims to begin filling the gap in academic literature.

### **Research Questions and Expected Findings**

The goal of this survey is to explore research questions related to what social media assets each company on the Fortune 500 employs, how Fortune 500 communication professionals perceive social media as a marketing tool and how companies on that list measure the effectiveness of social media marketing efforts.

Based on the review of the literature, the following research questions and expected findings are offered.

**RQ1:** What social media assets do the Fortune 500 currently employ?

According to a 2010 study by Burson-Marsteller, approximately 65% of Fortune 100 companies have active accounts on Twitter, 54% have Facebook fanpages, 50% have YouTube channels and 33% have corporate blogs (“The Global Social Media,” 2010). From this research, it can be assumed these Fortune 100 numbers will be representative of the entire Fortune 500. Thus, the snapshot is assumed to reveal similar number as the Burson-Marsteller study. To answer RQ1, the same social media assets accounted for in the Burson-Marsteller study, were also searched for in this study that covered the entire Fortune 500.

**RQ2:** How do Fortune 500 companies perceive the importance of social media as a marketing tool?

It is expected that the professionals surveyed at these Fortune 500 companies will perceive social media to be an important marketing tool; however, this perception will not necessarily translate into social media being heavily utilized at their respective companies. Since social media professionals are being targeted for the survey, it can be assumed that they will have a favorable opinion of social media as a marketing tool.

**RQ3:** How do Fortune 500 companies measure the effectiveness of social media as a marketing tool?

Finally, it is expected that these companies will still be in the early stages of their usage and measurement of social media as a marketing tool. Many companies will be in the process of beginning to use these tools. Even fewer will be actually measuring the effectiveness of these tools. It can be assumed that there will be a preference for quantitative metrics because they are easier to digest than more complex qualitative metrics. Moreover, it can be assumed that companies will be in the process of developing *how* they approach the measurement of social media as a marketing tool.



## **CHAPTER THREE**

### **Method**

#### **Snapshot Method**

The three research questions addressed over the course of this study were: What social media assets do the Fortune 500 currently employ? How do Fortune 500 companies perceive the importance of social media as a marketing tool? How do Fortune 500 companies measure the effectiveness of social media as a marketing tool?

A multi-method approach was used to address the research questions. In order to determine what social media assets each member of the Fortune 500 contained (RQ1), each company's website was first visited to see if that information was advertized or housed on their corporate website. This information was found on corporate websites in a few cases, but for the most part it wasn't. Thus, for each company listed on the Fortune 500, the company title was searched in Twitter, Facebook and YouTube to determine if that company contained official accounts on those social media sites. To determine if the company had an official blog, individual company websites were searched using the term "blog." If nothing was found, then the company names followed by the term "blog" in parenthesis were typed in a Web

search engine (more specifically, Google was used for consistency). The results were plotted on a spreadsheet.

When addressing research question two (How do Fortune 500 companies perceive the importance of social media as a marketing tool?) and research question three (How do Fortune 500 companies measure the effectiveness of social media as a marketing tool?), a Web-based survey (Qualtrics) was utilized.

The survey contained questions (see Appendix A) meant to address research questions two and three. The questions were drawn from a variety of sources including industry literature and professional experience. More specifically, the statements measuring perception were drawn from professional experience in the marketing/advertising field. The respondents were asked to determine on a 0 to 7 scale whether they strongly disagreed (0) or strongly agreed (7) with the statements under the heading “Perceptions of the importance of social media as a marketing tool.” The 0 to 7 ordinal scale was developed to allow for a wide range of choices for the respondents to choose from. A scale with more points rather than fewer points allows for greater differentiation on the items being rated, a quality important when exploring complex and multifaceted issues such as perception of the importance of social media as a marketing tool (Wimmer and Dominck, 2006).

When addressing research question three, a nominal scale of “yes,” “no” and “maybe” was developed to address the statements/questions, “The implementation of social media as a marketing tool figures in to the calculation of ROI for a campaign” and “Do you believe that social media should be measured as a marketing

tool?” The same scale was also used when addressing the digital and social assets listed under the title, “My company is able to calculate the effectiveness of the following.”

This scale was derived because of its simplicity. This study is one of the first projects of its kind examining how companies measure, or approach the measurement of, social media as a marketing tool. Thus, the results of this study will serve as a basis for other social media-oriented research projects to build upon. Asking the respondents to rank or compare each digital/social asset on any sort of scale made little sense. This study, with its simple statistics documenting “yes,” “no” and “maybe,” will serve as a launching pad for more complex scaling and comparison in future research.

A similar ordinal scale containing the choices “always,” “sometimes” and “never” was used to address questions in response to the statement, “The remainder of the questions/statements deal with *how* you either measure or approach the measurement of the effectiveness of social media as a marketing tool.” Again, this rather simplistic scale was selected to provide basic statistical information from which to build upon in future research. There was minimal usage of interval scales addressing the following topics: “Which of the following quantitative metrics do you use to measure social media marketing effectiveness,” “Which of these qualitative metrics do you use” and “My company employs the following social media tools.”

Whereas the questions addressing perception came from professional experience and observation, all questions and statements addressing measurement of social media as a marketing tool came from two professional works, *Social Media*

*is a Cocktail Party* by Jim Tobin and *Groundswell* by Charlene Li and Josh Bernoff.

More specifically, questions addressing quantitative and qualitative metrics as well as how the respondents either measured or approached the measurement of the effectiveness of social media as a marketing tool came verbatim from the professional literature (Tobin, 2008).

The online survey portion of the study was pilot tested in November 2009 with the survey sent to a sample of 250 Inc. 500 companies. It was determined from the Inc. 500 pilot study that using social media networks such as Twitter and Facebook to reach communications professionals at Fortune 500 companies would be a successful way of gaining a high response rate. IRB approval (Appendix B) was granted for the study in February 2010.

## **Sample**

The sample includes all companies listed on the 2009 Fortune 500 list. Thus, this is a non-probability, purposive sample of social media professionals at all 500 companies listed on the 2009 Fortune 500 list. A total of 461 emails with an attached survey were sent out. There were 39 companies that did not have an email address attached to their social media accounts or website or did not allow for electronic messages to exceed certain word limits (either 500 or 1000) when sent through their online message centers. The initial emails were sent out Thursday, February 18 and reminder emails followed one week later on Thursday, February 25. The survey was closed out on Thursday, March 4.

## **Recruiting Participants**

The method employed to answer research questions two and three was a Qualtrics web survey sent to 461 Fortune 500 companies named to the 2009 list. More specifically, the survey was sent to communication and social media professionals at these companies. Contacting these professionals involved multiple steps. First, the professionals were contacted via Twitter.

This recruitment method began with the assumption that most Fortune 500 companies have Twitter accounts. As mentioned, a 2010 Burson-Marsteller study found that approximately 65% of the Fortune 100 (“The Global Social Media,” 2010) had official Twitter accounts. With such a high percentage of the top 100 companies having Twitter accounts, it was assumed that the rest of the Fortune 500 will have similarly high numbers; hence, making recruitment through Twitter a viable tactic.

Contacting the administrators of these Twitter accounts created a direct link to a communication or social media professional at that particular company. More specifically, the Twitter account for each company was identified (by searching for each company via Twitter’s “Find People” function) and then contacted by @replying (or contacting the administrator of a Twitter account through typing the symbol “@” followed immediately by that account’s username) those accounts. The @reply contained the following message: “Hey, I’m conducting a survey about social media ROI and Fortune 500 companies. Is there an email address I could send the survey too?”

The goal of this approach was to gain direct access to a communication or social media professional and establish a rapport with them, two steps that were intended to lead to a high response rate.

If the professional replied with an email address, then he or she received an email containing the consent letter and a link to the survey. If the account did not respond to the initial @reply within one week, then the same Twitter recruitment message was posted on the company's Facebook wall. If no response came of Facebook, then the consent letter and accompanying survey link were sent to a media or communications contact at each company.

If no media or communications email exists, then the email was sent to a general email account for the company with the instructions that the consent letter containing the survey link be forwarded to a social media or communications professional.

Wherever the introductory email and link to Qualtrics were finally sent, a reminder email was sent one week afterward if a response was not yet received.

After the responses were gathered and the survey closed, the results were analyzed using SPSS. Descriptive analytics were mostly utilized to answer the research questions. A Cronbach's Alpha was computed to gain insight into, more specifically, the research question regarding how the respondent pool perceived the importance of social media as a marketing tool. The Cronbach's Alpha was then correlated with variables measuring how respondents measured or approached the measurement of the effectiveness of social media as a marketing tool to see if there

was any correlation between how the respondent group perceived social media as a marketing tool and how they measured its effectiveness.

### **Limitations and Caveats**

The survey included all companies on the 2009 Fortune 500 list; thus, the results from the survey do offer valuable insight into that list. However, measuring the effectiveness of social media is an art that is very specific to different individuals and companies. Though the survey sheds light on how Fortune 500 companies perceive the importance of social media as a marketing tool and measure the effectiveness of social media marketing, it is not then an accurate representation of how *all* companies measure social media marketing effectiveness. For instance, the Fortune 500 list does not include small businesses. Small businesses may measure the effectiveness of social media as a marketing tool differently than large companies mostly because social media probably plays a different marketing role for small companies than it does for large corporations. For instance, Inc. 500 companies may prioritize social media differently than the Fortune 500. One assumption is that large corporations use social media more like a condiment to their other more traditional, higher budget marketing efforts as opposed to small businesses that may use social media as a more integral part of their marketing strategy. Thus, the two may have different ways of measuring the ROI of social media based on the level of importance the media holds at that particular institution as a marketing tool.

Furthermore, surveys themselves come with an array of limitations. There is no certainty of gaining a high or even a statistically significant response rate. There is no way to control whether the respondents will actually respond to a survey even if they are contacted via Twitter and they relay that they will, in fact, take the survey. Moreover, there is no way of getting them to complete the survey once they have started it. In fact, as of March 4 (the date the survey was closed out), there were 15 participants who had started, yet had not completed the survey.

With surveys, the researcher risks inappropriately wording a question and/or encouraging bias among respondents. Furthermore, it is important to note that questions of social media effectiveness are inevitably going to be nuanced. It's difficult to gain insight into questions beyond the pre-packaged response options of a survey. Though this survey contained multiple open-ended comment options, it did not allow the respondents to comment on *every* question; thus, valuable insight was ultimately lost.

The discussions surrounding social media, its usage as a marketing tool and early efforts to measure its effectiveness are complex and multifaceted, especially at this still nascent stage. It was often difficult to just accept the answers that were given without any further discussion or comment. Though there were multiple areas throughout the survey that allowed for extra comment, not every question contained this option.

For instance, when asking questions about the perception of social media as a marketing tool, the questions didn't take into account different industries when



they are being asked. An actual conversation with these professionals rather than a more stilted survey would have revealed more nuanced information about how not only communication and social media professionals at Fortune 500 companies perceive the importance of social media as a marketing tool, but would have shed more light onto *how* the companies themselves really feel about the emergent media.

Recall the quote included earlier in the thesis about a possible divide between social media/communication professionals and corporate higher-ups.

I would be very interested in the results of your study, as there are differing opinions in our company regarding the use of social media. In my role, of course, I see tremendous opportunity to connect and engage with consumers to provide helpful information, but for some, it is still an unknown. Please do send the results as you offered.

This is the type of quote that would have resulted in some interesting insight into the dynamic between communication or social media professionals and other corporate entities. Is this divide common to most Fortune 500 companies? How difficult is it to convince a CEO, administrator or manager of the importance of social media as a marketing tool? What are some of the tactics used to convince them? What are some of the opinions of those who don't feel that social media is necessary? Is the problem with convincing others to use social media hierarchical (i.e. is it just a management issue) or do other communication and marketing professionals hold a skeptical view of social media? Is there even a problem of convincing at all? Is this sentiment the norm?

Furthermore, the following quote sparks more future research questions.

I think social media makes it easier to evaluate PR campaigns because it offers so many quantitative and qualitative metrics for measurement. I use these metrics to make a case for social media and it's been successful in gaining buy-in from managers.

This quote leads to these research questions: Who is really driving this move toward social media adoption in the Fortune 500? Is it a top-down adoption or bottom-up? Are communication and social media professionals the true influencers to adopt social media as a marketing tool at these companies, or are managers the innovators?

Moreover, it would have been nice to have more insight into the litany of comments respondents left concerning how “new” using and measuring social media are. Are different industries at different stages of “new?” Could the professional walk the researcher through their specific process of measuring social media as a marketing tool? What order do they do things in? This was valuable insight lost because answer choices were constrained by pre-determined survey response options.

Furthermore, one matter that was not contemplated, yet contributed greatly to this study's low response rate was the fact that many of these companies held policies that prevented their employees from participating in surveys or student projects. Twenty emails were received with a variation of the following messages:

Thank you for contacting Kroger. I apologize, but unfortunately we must decline participation in this survey. I apologize for any inconvenience and thank you for offering us this opportunity.

Thank you for your interest in C.H. Robinson. We receive many of these requests and it is our company policy to remain neutral, therefore, we will not be able to participate in your research study. Have a great day!

Our apologies, upon review we will be unable to complete your survey.

Yet another popular tactic by many at these companies was to just direct the researcher to their corporate website to “get information about their company and its marketing practices.” There were also multiple responses from companies stating that they were not using social media at this time and thus declined to complete the survey. Again, the fact that these companies were *not* using social media as a marketing tool would have been an interesting discussion to pursue. Why do they believe that it is unnecessary to use? Why does their company not employ Facebook or Twitter? Does the professional personally find that social media is important, but that it may not be particularly useful for your company or industry?

Thus, a better research method would have been a qualitative in-depth interview method. The research project illustrated that there are many layers and facets to this topic that could only truly be explored through interviews, not a survey. The initial goal of this project was to go after as many opinions on this topic as possible. However, a better tactic would have been to go after fewer people with a focus on in-depth interviews. This is an exceedingly complex topic with an array of nuances and details that could only be adequately revealed through conversation, not a survey. Furthermore, there were even respondents who emailed that they could not take the survey, but would be obliged to talk about the topic over the phone. Here is an example from the communications department at the Home Depot:

Jesse - I'm sorry I wasn't able to participate in your survey - busy times here (spring is our busy season, unlike a lot of other retailers). But best of luck on your thesis. Also if you need additional info to round out your research I might be easier to grab on the phone with a few specific questions - so feel free if needed.

The Twitter-centric part of the recruitment process was a great way of contacting social media professionals directly and begin developing a rapport; however, it was not a sustainable way of contacting 500 social media professionals. Again, following the qualitative line of thinking, contacting professionals via Twitter would have been a great way of getting in touch with targeted individuals directly, then setting up in-depth interviews about their personal and professional views of social media as a marketing tool, how their company uses social media and how and why their company either does or does not employ social media in marketing practices.

## **CHAPTER FOUR**

### **Results and Discussion**

This section reports the specific results of the study. Each research question is stated as a subhead throughout the chapter. The results of the study, relevant to each research question, are reported immediately below each subhead.

#### **Social Media Snapshot**

##### **RQ1: What social media assets do the Fortune 500 currently employ?**

The social media snapshot, used to address RQ1 yielded some very interesting and rather unexpected findings. Less than half of the companies (approximately 217 or 43%), as Table 4.1 indicates, on the 2009 Fortune 500 list had official Facebook accounts. Just under half, 239 (or 47%), of the companies had official Twitter accounts. Only 99 (19.8%) had branded YouTube accounts and 95 (19%) had company blogs. Not surprisingly, all 500 companies had websites.

**Table 4.1: Snapshot Results for what Social Media Tools the Fortune 500 Employs**

<b>Snapshot Results for what Social Media Tools the Fortune 500 Employs</b>	<b># Who Use Tool</b>	<b>Percentages</b>
Facebook	217	43.0
Twitter	239	47.0
YouTube	99	19.8
Corporate Blogs	95	19.0

**Figure 4.1:** *This figure illustrates the Snapshot Results for what Social Media Tools the Fortune 500 Employs responses to the statement, “My Company Employs the Following Social Media Tools.” It’s interesting to note that Facebook was the most used social media tool according to the Snapshot study; however, it was second behind Twitter among respondents to the online survey portion of the study.*

Only 202 companies (or just over 40%) did not have Facebook, Twitter, YouTube or a blog. This is somewhat surprising because these digital tools are among the most discussed technologies of the day, and yet, more than half of the largest companies in America utilized none of them. Sites such as Flickr, Yelp and LinkedIn and mobile applications were not considered in the snapshot assessment.

Moreover, only 33 companies (6.6%) had all five items searched for in the snapshot. The top 150 companies were the most active in digital spaces. Almost all the companies using all five assets were within the top 200. Oil, natural gas and energy companies as well as financial firms use the least amount of social media, while companies with higher media profiles, such as Blockbuster, DirecTV and Nike, used the most.

There does appear to be a distinct divide between how B2B (business to business) and B2C (business to consumer) companies utilize (or don't use) social media. For instance, oil, natural gas and pipeline companies are often selling their products to other businesses and distributors, who *then* connect the product with consumers. Social media to a B2B company may seem unnecessary because of its distance from the consumer. A B2C business, on the other hand, such as Nike or Blockbuster, sells directly to their consumers, thus motivating a corporation to foster a more direct connection with consumers and potential consumers. This more direct connection is often facilitated through usage of social media.

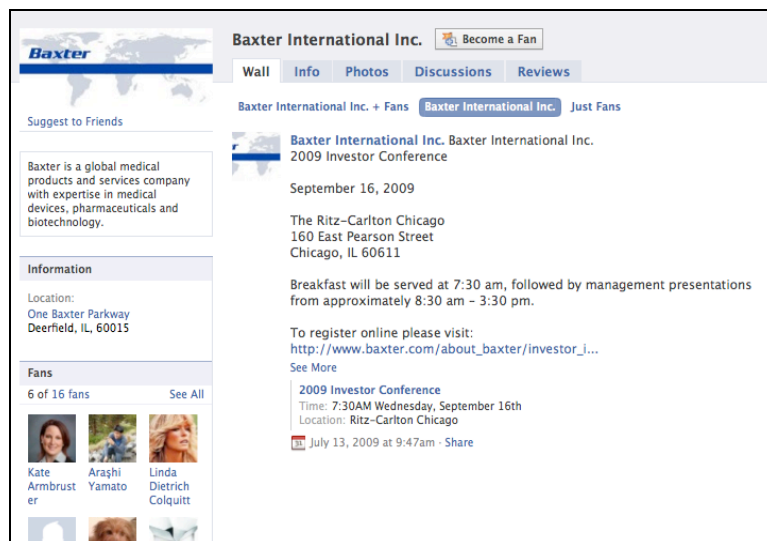
The assumptions made from the 2010 Burson-Marsteller study proved to be false. The numbers from the study indicating a high level of social media usage among Fortune 100 companies were not indicative of how the rest of the Fortune 500 used social media. As a whole, the Fortune 500 uses social media to a limited degree.

Rather surprisingly, most media companies on the list, including Gannett and News Corp, utilized very little social and digital media. In fact, their websites were simplistic and basic.

Outside of financial services and oil, natural gas and energy companies, it was difficult to predict just which type of industry would employ social media as a marketing tool and which would not. It's important to note that this study was a general overview of what social media assets each company had. It did not take into account how well each company utilized social media as a marketing tool, how

developed those tools were or whether the company placed those tools at the center of their marketing efforts. Take the two companies Baxter International and Freddie Mac, for example. Both companies have Twitter and Facebook accounts, but after just briefly visiting each site, it is clear they are not very developed. Figures 4.1 and 4.2 illustrate how Baxter International only has 16 fans on its official Facebook fanpage, while Freddie Mac's Twitter page boasts one Tweet. These are very under-developed forms of social media (though they do exist).

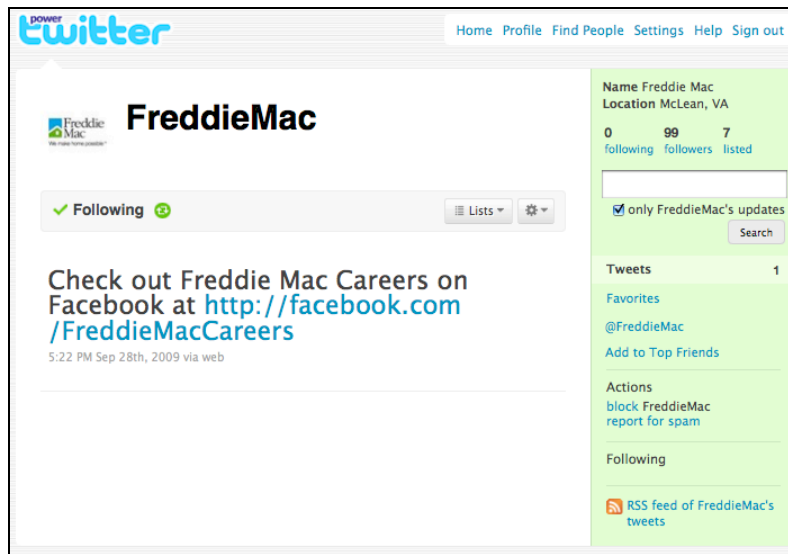
**Figure 4.1: Baxter International's Official Facebook Fanpage**



**Figure 4.1:** *This screenshot of the Baxter International Facebook fanpage is a great illustration of how the social media snapshot portion of the thesis only evaluated what social media assets each company on the list employed. It did not illustrate how well executed or complex those applications were.*



**Figure 4.2: Freddie Mac's Official Twitter Page**



**Figure: 4.2:** *This is a screenshot of Freddie Mac's official Twitter account. Again, another illustration of how the social media snapshot portion of the thesis only evaluated what social media assets each company on the list employed. It did not illustrate how well executed or complex those applications were. The one Tweet on Freddie Mac's page as of March 4 is a prime example that there is a broad distinction between just employing social media as a marketing tool and properly (or even actively) using the tools.*

Moreover, this study did not take into account how complex or interactive each company website was. Another interesting find was that multiple companies had no digital assets except YouTube and a corporate website. In all, 7 companies (1.4%) had nothing but YouTube channels that housed only the company's television commercials. This showed a fundamental misunderstanding of social media in that these companies felt that simply posting traditional media advertisements online made them social.

With so many studies, articles and posts published advocating the rise of social and digital media, its growing importance as a marketing and communication

tool and how it's making many other forms of media and advertising obsolete, it's surprising that more Fortune 500 companies aren't using these tools more avidly.

One possible explanation for this lack of social media usage can be found by taking a quick look at a breakdown of which industries comprise the 2009 Fortune 500 list. Figure 4.3 outlines the top ten fastest growing industries of 2009.

**Figure 4.3: The Top Ten Fastest Growing Industries on the 2009 Fortune 500 List**

### Top industries: Fast growers

GROWTH IN REVENUES		GROWTH IN PROFITS (1 YR)	GROWTH IN PROFITS (5 YRS)
Industry Rank	Industry	2008 %	
1	Pipelines	27.3	
2	Engineering, Construction	26.8	
3	Petroleum Refining	25.2	
4	Mining, Crude-Oil production	23.9	
5	Oil and Gas Equipment, Services	19.8	
6	Energy	16.4	
7	Construction and Farm Machinery	16.1	
8	Metals	16.1	
9	Food Production	15.9	
10	Industrial Machinery	13.3	

**Figure 4.3:** This list includes the top ten fastest growing companies on the 2009 Fortune 500 list. It shows how many of the fastest growing companies are a part of the oil, natural gas and energy industries, sectors that are not particularly active in social media spheres.

Half of the companies listed in the top 10 are related to oil, natural gas or energy, industries that, according to this study, not only don't employ social media as a marketing tool, but also don't employ much in the way of marketing in general. Of the 500 companies on the list, 91 (18.2%) are oil, natural gas, energy or pipeline related and 54 (10.8%) are financial services related, two industrial sectors (comprising nearly 30% of the list) that typically don't employ much social media, according to observations made in this study. These industries are not particularly consumer-oriented; thus, social media may not be what is needed since connecting with consumers or the public is not a priority to these industries. For instance, an oil company doesn't need to have a direct connection with a soccer mom in order to get her to buy gas from one gas company or another. This may be evidence that social media is not for every company or industry. On the other hand, industries that do maintain more direct connections with consumers (shoe companies, food chains, etc.) appear to be more active in social media spaces.

One conclusion that can be drawn from these surprisingly low numbers is that the Fortune 500 is not necessarily the place to go to observe and understand the rise in social media as a marketing tool. There is a growing body of literature that points to small businesses as being the true epicenter of social media usage and growth. In fact, one recent opinion piece in *BusinessWeek* noted that social media allows for small businesses to compete on a "level playing field" with "corporate giants" (McKee, 2009). The article concludes by addressing small business owners: "Getting up to speed on social media is like learning to ride a bike; it's difficult and

intimidating at first, but once you get the hang of it you can get where you want to go quickly—and even enjoy the ride” (McKee, 2009).

According to a February 2010 Small Business Success Index report, “social media adoption among small businesses has doubled from 12% to 24% in the past year” (McGee, 2010). Other findings from that same study reported, “75% [of small businesses] surveyed have a company page on a social networking site, 61% use social media for identifying and attracting new customers, 57% have built a network through a site like LinkedIn and 45% expect social media to be profitable in the next twelve months” (McGee, 2010). Is it possible that small business usage of social media is experiencing more growth than Fortune 500 companies? Moreover, the Fortune 500 may not be the ideal place to look when it comes to development and usage of social media as a marketing tool due to these companies’ established nature in their particular fields. They may not feel the need or pressure to “go digital.” Yet another study found that “American small businesses are pushing the limits on new ways to improve efficiency in the prolonged downturn, including a steady increase in social media adoption” (2010). The study went on to state that social media adoption by small businesses has doubled from 12% to 24% in the last year.

Many of the companies of the Fortune 500 have been around for decades. Thus, entering digital spaces for advertising and marketing purposes could be viewed as something that is not as necessary as it is for a smaller, less established company. For future research, a focus on how small businesses are integrating social media into their marketing programs would be fascinating.

For Fortune 500 companies at least, heavy usage of social media as a marketing tool appears to be more of a function of already having a high media profile rather than being a part of a particular industry or sector.

### **SPSS Analysis**

#### **RQ2: How do Fortune 500 companies perceive the importance of social media as a marketing tool?**

The survey was sent out over a two-week period beginning February 18, 2010. Reminder emails were sent to those who had not taken the survey on February 25, 2010. In total, 49 responses were accumulated from 461 surveys sent, a response rate of only 10.6%. Though the response rate was too low to represent statistical significance, there were insights that could be drawn from this response pool.

One of the most striking pieces of information came from the merging of the first 12 statements of the survey that collectively measured the respondents' "perceptions of the importance of social media as a marketing tool." The multiple variables were merged to compute a Cronbach's Alpha that represents perception and provides part of the answer to RQ1 (How do Fortune 500 companies perceive the importance of social media as a marketing tool?). Respondents were asked to indicate whether they strongly disagreed (0) to strongly agreed (7) with the statements in order to gain insight into how the group perceived social media's importance as a marketing tool. Three statements had to be reverse coded in order to accurately compute the Cronbach's Alpha of the variable named "Perception Average." The three statements that needed to be reverse coded were: "Social

media are peripheral components of my company's marketing efforts"; "My company is skeptical about the effectiveness of social media", and "Social media are over-hyped as effective marketing tools."

After completing the reverse coding, the Cronbach's Alpha was computed to determine consistency among item scores measuring perception. The resulting Cronbach's Alpha was .845, meaning that the 49 respondents offered very similar answers for those 12 opening statements measuring perception. Not only were the answers very cohesive, but the actual individual scores given by the respondents for the items measuring perception were also very high. Thus, to address RQ2, the respondents all had a similar perception of the importance of social media as a marketing tool, and their collective perception is that social media is an important marketing tool.

Descriptive analytics further expound upon this finding. Perception data (i.e., the collection of 12 statements at the beginning of the questionnaire) was analyzed using the following rubric: responses registering 0 to 3 were categorized as strongly disagreeing to disagreeing, 4 to 5 were viewed as neutral and 6 to 7 were viewed as agreeing to strongly agreeing with the statement in question. For the first group of questions, respondents were asked to indicate whether they strongly disagreed (0) or strongly agreed (7) with the statements. Nearly 73% of respondents gave a 6 or 7 for the following statement: "Social media have emerged as an important marketing tool." Approximately 75% of respondents again marked 6 or 7 for the statement, "Social media offer effective ways to interact with the consumer," while

more than 62% marked 6 or 7 strongly agreeing with the statement, “Social media offer effective ways to reach new consumers.”

The numbers take a different turn with the statement, “Social media are central components of my company’s marketing efforts.” Here, the respondents are more split. Approximately 25% of respondents marked 5 for this response. Nearly 70% of respondents marked 5 or lower for this response, potentially revealing some tension between the social media/communications professional and the upper echelons of the corporate hierarchy. The social media or communications professional, according to the data, certainly perceives social media to be an important marketing tool that needs to be utilized; however, social media is not a central component of most Fortune 500 marketing strategies (this is assuming that social media would be an appropriate marketing tool to be employed for these companies). One respondent shed light on this assumption with this message:

“There are differing opinions in our company regarding the use of social media. In my role, of course, I see tremendous opportunity to connect and engage with consumers to provide helpful information, but for some, it is still an unknown.”

Moreover, when asked if social media were a peripheral component of their company’s marketing strategy, the numbers indicate that more than 56% of respondents agreed to strongly agreed that social media were viewed as a peripheral component to their company’s marketing efforts.

The wide majority of respondents’ companies were neutral to skeptical about the effectiveness of social media as a marketing tool. In fact, over 30% (Table 4.2)

agreed to strongly agreed with the statement, “My company is skeptical about the effectiveness of social media.”

**Table 4.2: Skepticism about the Effectiveness of Social Media**

My company is skeptical about the effectiveness of social media		Responses	Percentages
Strongly Disagree	0	3	6.3
Disagree	1	1	2.1
Disagree	2	6	12.5
Disagree	3	7	14.6
Neutral	4	8	16.7
Neutral	5	8	16.7
Agree	6	10	20.8
Strongly Agree	7	5	10.4
Total		48	100.0

**Table 4.2:** This table presents the results for the statement, “My company is skeptical about the effectiveness of social media.” More than 30% of respondents indicated that their company was, in fact, skeptical of social media when applied as a marketing tool. This finding also seems to indicate that a rift exists between the opinion of most social media/communication professionals at Fortune 500 companies and their corporate superiors concerning the effectiveness of social media as a marketing tool.

More than 50% of respondents agreed to strongly agreed that “social media are growing in significance as a marketing tool,” while approximately 80% agreed to strongly agreed that they are “always brainstorming about new ways to apply social media as a marketing tool.”

These metrics, along with the Cronbach’s Alpha, indicate that the respondents perceive social media to be an important marketing tool. The perception questions ended with the statement, “Social media have proven to be



effective marketing tools.” Responses for this statement, as illustrated by Table 4.3, were all over the place. Fittingly, 5 received the highest amount of responses at 29.2%. This illustrates that the respondents are unsure about how effective social media has “proven” to be.

**Table 4.3: Opinions about Social Media’s Proven Effectiveness**

Social media have proven to be effective marketing tools.		Responses	Percentages
Strongly Disagree	0	1	2.1
Disagree	1	3	6.3
Disagree	2	3	6.3
Disagree	3	6	12.5
Neutral	4	5	10.4
Neutral	5	14	29.2
Agree	6	7	14.6
Strongly Agree	7	7	14.6
Total		46	100.2

**Figure 4.3:** This table reveals some important information. It is the response to the statement, “Social media have proven to be effective marketing tools.” Prior to this question, the respondents indicated that they, collectively, perceived social media to be very important as a marketing tool. However, when asked about its **proven** effectiveness rather than just their personal belief in its potential, the respondents are much more divided. In fact, nearly 30% of the respondents gave this statement a very neutral response of 5. However, another 29.2% of respondents stated that they agreed to strongly agreed with the statement.

This finding is somewhat in contrast to earlier statements. For instance, when participants were asked whether social media is an important marketing tool, an effective way of reaching new consumers and an effective way of interacting with consumers, more than 70% of all respondents agree to strongly agreed with the statement. However, when the word “proven” is introduced, respondents’

excitement seems to be tempered. Collectively, the respondents perceive social media to be an important marketing tool; however, they remain quite uncertain about its *proven* effectiveness.

These findings are significant because they offer insight into how communications professionals view social media as a marketing tool. More specifically, it reveals that communications professionals at Fortune 500 companies view social media very favorably and believe that social media are important marketing tools. However, the respondent group is still not able to prove that these tools are effective. Much of the literature focused on how consumers were using social media and how companies are being forced to react to that usage. This finding offers insight into how working communications professionals perceive that development.

**RQ3: How do Fortune 500 companies measure the effectiveness of social media as a marketing tool?**

The remainder of the findings address RQ3. It's important to note that the research did not reveal many clear patterns concerning how Fortune 500 companies measured social media as a marketing tool. Take the results to the statement, "The implementation of social media as a marketing tool figures in to the calculation of ROI for a campaign," for example. As seen below, respondents are nearly evenly split among the choices of "yes," "no" and "maybe."

**Table 4.4: Does Social Media Figure into the ROI of a Marketing Campaign?**

The implementation of social media as a marketing tool figures in to the calculation of ROI for a campaign.	Responses	Percentages
Yes	14	29.8
No	17	36.2
Maybe	16	34.0
Total	47	100.0

**Table 4.4:** Answers were nearly evenly split on this matter among the three response options. Interestingly, though only by a hair, “no” was the most selected choice. This is particularly interesting because the study indicated that more than 65% of respondents **could** measure the effectiveness of many social media tools, including Facebook, Twitter and YouTube. Thus, it is curious that most do not include that knowledge their ROI calculations. The assumption here is that social media have not reached a level of importance at these companies to warrant inclusion in that calculation.

Table 4.4 illustrates that Fortune 500 communication/social media professionals are far from cohesive when it comes to their responses about measuring the ROI or proven effectiveness of social media as a marketing tool. One individual who declined to respond to the survey put it this way: “We’re still fairly new to using social media and are not to the point where we are effectively measuring its impact (and ROI).”

This statement seemed to express the sentiment of many respondents. Though a number of respondents didn’t leave comments on their survey, 12 did,

offering a similar sentiment about the “newness” of the tools. Here are some of their comments:

Too early in development - we are still deciding on a lot of these items.

We are very early in our approach to social media. We hope to have a planning session sometime this year to develop a strategy and discuss the following components: marketing, public relations, internal communications and HR policies. Many of our [clients] are using Facebook pages, Twitter and other social media, but how closely this is tied to concrete objectives is unknown.

This is generally a new field for us. We are just starting formal qualitative measurements this year and have not yet received our first quarterly report. We have different ways of quantitatively measuring for social media right now, but the level of detail varies depending on the web property.

We are at the very early stages of testing and implementing social media. Currently we are viewing it more as a customer communications tool than a specific marketing tool against which we need to calculate an ROI. The driving force behind our efforts has been the promise of a relatively low-cost or no-cost connection point directly to our customers. How can you calculate an ROI off of \$0?

These comments illustrate just how new the concept of incorporating social media into marketing and public relations efforts is for the Fortune 500, and ultimately how many professionals are just getting around to even approaching measuring the effectiveness of the media. With that said, one respondent said it will be easier to measure and track the effectiveness of social media campaigns than more traditional public relations efforts. The respondent states, “I think social media makes it easier to evaluate PR campaigns because it offers so many quantitative and qualitative metrics for measurement. I use these metrics to make a case for social media and it's been successful in gaining buy-in from managers.”

More than 83% (Table 4.5) of respondents believed that social media should be measured as a marketing tool. Though the jury was split on whether or not social media figure in to the calculation of ROI, it does appear as if the companies and communications/social media professionals realize the importance of measuring social media as a marketing tool. An assumption that can be made here is that as social media continues to grow in importance as a marketing tool at Fortune 500 companies, it will begin to take its place as a marketing tool worthy of being measured for its return on investment.

**Table 4.5: Should Social Media be measured as a Marketing Tool?**

Do you believe that social media should be measured as a marketing tool?	Responses	Percentages
Yes	40	83.3
No	1	2.1
Maybe	7	14.6
Total	48	100.0

**Table 4.5:** When respondents were asked, “Do you believe that social media should be measured as a marketing tool,” opinions were overwhelmingly in favor of measurement. It’s interesting to point out that professionals believe social media are important to measure and can measure many of the tools; however, less than 30% of respondents stated that social media actually figure into the calculation of ROI for a marketing campaign.

The survey did offer evidence that these companies can already measure the effectiveness of many digital and social media assets. For instance, more than 80% of respondents reported that they could calculate the effectiveness of click-through rates, more than 90% stated that they could measure the effectiveness of page views, while more than 95% stated that they could do the same for new website

visits. Between 60 and 80% of respondents stated that they could measure the effectiveness of bounce rates, time spent on a site, new site visits, direct traffic and referring sites.

Something *particularly* interesting happens when looking at the social media categories.

More than 65% of respondents found that they could measure the effectiveness of an official Facebook account. Even 37% found they could measure the effectiveness of a user-generated Facebook page while 65.2% of respondents stated they could measure the effectiveness of official Twitter and branded YouTube accounts. Thus, according to the data, respondents *can* actually measure, to a certain degree, the effectiveness of social media when used as a marketing tool. If that is the case, then why did only 29.8% of respondents (Table 4.4) state that social media figured into the ROI of a campaign?

Moreover, 36.2% of respondents stated that social media as a marketing tool did *not* figure in to their calculation of ROI. With such high numbers of respondents able to measure the effectiveness of such social media tools as official Facebook, Twitter and YouTube accounts, it is surprising that this knowledge is not making its way into the calculation of ROI for many. Why is that? Is ROI handled by marketing departments and not by corporate communications departments, where most of the responses came from? Is it because social media are still viewed as a peripheral and inexpensive tool by many corporate entities and thus not deemed important enough

to be included in traditional ROI measures? This is a divide that needs to be addressed in future research.

Numbers were generally low for having ways of measuring the effectiveness of MySpace and Vimeo, which is understandable considering only 10.2% of respondents reported their company having an official MySpace or Vimeo account. Surprisingly, Facebook was not the most widely utilized form of social media by the Fortune 500. It didn't even take second place. In fact, Twitter was the most widely used social media, with 85.7% of respondents claiming to have an official account, followed by YouTube with 83.7% and *then* Facebook with 81.6%. LinkedIn placed a distant fourth with 57.1%, while Second Life placed last with only 4.1% of respondents claiming that their company utilizes the medium. A meager 8.2% of respondents stated that their company doesn't use any social media.

Moving on to *how* the respondents either measure or approach the measurement of the effectiveness of social media as a marketing tool, few patterns, once again, emerge. Participants were asked to respond with an "always," "sometimes" or "never" to eight questions/statements about how they approach the measurement of social media as a marketing tool. Of the eight *how* questions, only one registered over 50% for always ("Do you tweak, change, and respond to the progression of a social media campaign?"). Most responses were evenly split between "always" and "sometimes," with only a few offering the response of "never." For instance, when asked whether their company develops metrics after setting objectives, 48.9% of respondents said "always" and 40.4% said "sometimes" (Table

4.5). Similarly, for the question, “Do you conduct research before implementing a social media strategy,” 46.8% of respondents stated that they “always” do this, while 38.3% said that they “sometimes” perform this task (Table 4.11). The general consensus from this section of questions appears to be that practitioners are still very uncertain about how to even approach the measurement of social media effectiveness, even less actually measure social media. “Never” was selected only a few times and remained between the 8 and 12% range for each question. It does appear, however, as if there is a tendency to prefer quantitative metrics when determining social media effectiveness rather than qualitative metrics (Tables 4.6 & 4.7).



**Table 4.6: Do Fortune 500 Companies prefer Qualitative Metrics when Measuring Social Media?**

My company prefers qualitative metrics for social media efforts.	Responses	Percentages
Always	7	14.9
Sometimes	35	74.5
Never	5	10.6
Total	47	100.0

**Table 4.7: Do Fortune 500 Companies prefer Quantitative Metrics when Measuring Social Media?**

My company prefers quantitative metrics for social media efforts.	Responses	Percentages
Always	15	31.9
Sometimes	28	59.6
Never	4	8.5
Total	47	100.0

**Tables 4.6 & 4.7:** *Though the comparison of these two results tables reveals there is a preference towards using quantitative metrics for measuring social media as a marketing tool, most respondents for both questions chose the more non-committal answer choice “sometimes.” It can be assumed that “sometimes” was chosen by the respondents most often because, as the research indicated, social media is not always calculated into ROI measures.*

Some of the more popular quantitative metrics used by the respondents were site visits, number of social network friends and number of comments. Growth in on-topic consumer conversations, audience participation, sentiment of conversations about one’s company versus competitors and growth of relationships with key audiences were among the most popular qualitative metrics used by

respondents to measure the effectiveness of social media as a marketing tool. Some of the other quantitative metrics offered by the respondents as open-ended responses include volume of comments, volume of tweets and recommendations (such as times “listed” on Twitter). One of the top qualitative techniques mentioned by the respondents was sentiment analysis.

The following 8 tables are the frequency statistics from the section concerning how these professionals either measure or approach the measurement of the effectiveness of social media as a marketing tool. All results from that collection of questions are presented here, except for the two tables representing preferences for quantitative and qualitative metrics (Tables 4.6 & 4.7), which were discussed earlier.

**Table 4.8: Establishing Objectives and Benchmarks before Implementing a Strategy**

Do you establish objectives and benchmarks for social media efforts before implementing a strategy?	Responses	Percentages
Always	15	31.9
Sometimes	27	57.4
Never	5	10.6
Total	47	100.0

**Table 4.8:** This table contains the responses to the question, “Do you establish objectives and benchmarks for social media efforts before implementing a strategy?” Similar to the questions related to quantitative and qualitative metrics, “sometimes” was the response most selected. It’s important to note that most firms (nearly 90%) either “sometimes” or “always” performed this task. This is evidence that at least some effort is being made at these companies to measure the effectiveness of social media.

**Table 4.9: Establishing Different Objectives and Benchmarks for Different Social Media Efforts**

Do you establish different objectives and benchmarks for different social media efforts?	Responses	Percentages
Always	21	44.7
Sometimes	21	44.7
Never	5	10.6
Total	47	100.0

**Figure 4.9:** *In response to the question, “Do you establish different objectives and benchmarks for different social media efforts,” the respondents seem more certain of themselves than in the previous question. Though many respondents may not establish those benchmarks and objectives before implementing a campaign (only 15% said they “always” do this), nearly half of the respondents (44.7%) appear to at least have benchmarks for the various social media tools utilized.*

**Table 4.10: Developing Metrics for Success once Objectives are Set**

Do you develop metrics for success once you've set those objectives?	Responses	Percentages
Always	23	48.9
Sometimes	19	40.4
Never	5	10.6
Total	47	100.0

**Table 4.10:** *In response to the question, “Do you develop metrics for success once you’ve set those objectives,” the first “always” majority materializes with 48.9% of respondents reporting that they “always” do this.*

**Table 4.11: Conducting Research Before Implementing Social Media Efforts**

Do you conduct research before implementing a social media strategy?	Responses	Percentages
Always	22	46.8
Sometimes	18	38.3
Never	7	14.9
Total	47	100.0

**Table 4.11:** Responses for the question “Do you conduct research before implementing a social media strategy” indicate that 46.8% of survey participants “always” conduct research beforehand. Again, this table is evidence that many (approximately 50%) of respondents are making concerted efforts to measure the effectiveness of social media as a marketing tool.

An interesting finding has developed from these results. As noted in Table 4.9, 44.7% of respondents stated that they “always” establish different benchmarks for different social media efforts; 48.9% (Table 4.10) reported that they “always” develop metrics for success once they’ve established objectives; 46.8% (Table 4.11) found that they “always” conduct research before implementing a social media strategy; and, as Table 4.13 indicates, 60.9% of respondents stated that they “always” tweak, change and respond to the progression of a social media marketing campaign. These figures are interesting in that they indicate a certain level of effort being made by many Fortune 500 companies to develop metrics for measuring the effectiveness of social media as a marketing tool. In particular, the fact that nearly 50% of respondents “always” develop metrics for success and establish different benchmarks for different social media efforts seems to indicate that many of these companies are, in fact, making serious efforts to measure the effectiveness of social media. However, only 29.8% of respondents, as Table 4.4 illustrates, stated that social media as a marketing tool actually figures into the

calculation of ROI for a campaign. So, what exactly are the respondents doing with these metrics they are developing? Are they using the metrics as informal benchmarks that *don't* get included in ROI calculation? Do these metrics not make it beyond social media/communications departments?

One potential explanation is that social media are still viewed as a condiment to the core marketing efforts of these companies; that social media are viewed by the Fortune 500 as a tool that needs to be tracked and measured, but separately from the rest of the marketing efforts (potentially, an indication of how social media are viewed by these companies). Metrics are developed and applied to measure the effectiveness of social media tools, but still are not viewed as important or integral enough to be calculated into the ROI of a marketing campaign.

**Table 4.12: Allowing for Lag Time when Analyzing Results for Social Media Efforts**

Do you allow for lag time when analyzing results for social media efforts?	Responses	Percentages
Always	13	27.7
Sometimes	26	55.3
Never	8	17.0
Total	47	100.0

**Table 4.12:** *The survey indicated that 27.7% of respondents “always” allow for lag time when analyzing results for social media marketing efforts, while the majority of respondents only “sometimes” performed this task. This could potentially be evidence of a fundamental misunderstanding of social media by the respondent group (which targeted social media and communications professionals). Social media are very grassroots forms of digital media. Social media outlets/accounts take time to mature, grow and develop in order to be effective marketing tools. Thus, lag time is something that is somewhat innate and to be expected with social media. The fact that only 27.7% of respondents “always” allow for this is surprising. However, this*

*may not be a directive of the social media/communications professional and may be more of a reflection of the **company's** understanding (or misunderstanding) of how social media work.*

**Table 4.13: Tweaking, Changing and Responding to the Progression of a Social Media Campaign**

Do you tweak, change, and respond to the progression of a social media campaign?	Responses	Percentages
Always	28	60.9
Sometimes	14	30.4
Never	4	8.7
Total	46	100.0

**Table 4.13:** *Approximately 60.9% of respondents stated that they “always” tweak, change and respond to the progression and development of a social media campaign. Interestingly, this question produced the highest percentage of “always” responses of any of the questions presented in the “how you either measure or approach the measurement of the effectiveness of social media as a marketing tool” section.*

Overall there was little agreement among the respondents concerning how they measured the effectiveness of social media as a marketing tool (RQ3). This inconsistency among responses is probably due to a variety of factors, including the fact that social media are still viewed as such a new form of advertising that many firms have just begun using and adopting the technologies. Some firms aren’t even using the technologies. Also, the matter of measuring marketing effectiveness is typically cause for disagreements among marketing and communications professionals. However, amid that data confusion, there did emerge some interesting conclusions.

It appears as if there is a general preference towards utilizing quantitative metrics for measurements over qualitative metrics. Also, there was a tendency among respondents to put an effort into developing solid metrics *before* implementing a marketing plan. Another significant finding deals with how prior research before implementing a campaign was also an important part of the measurement process among respondents.

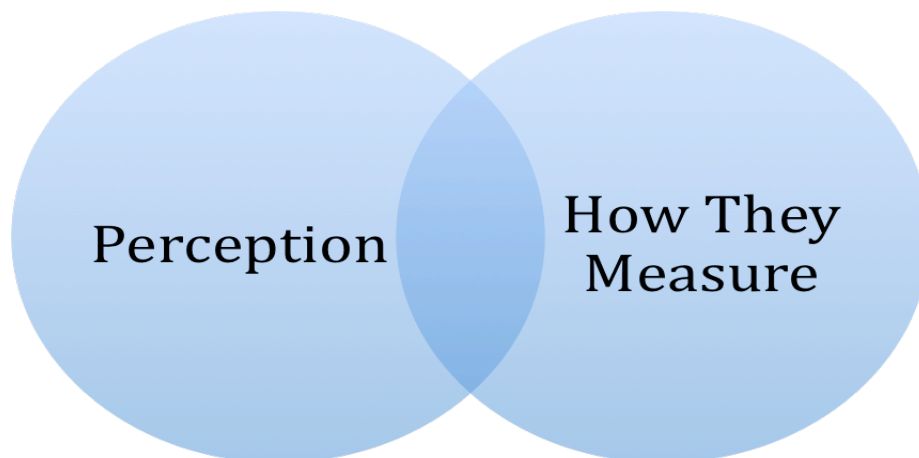
As far as *what* social media tools the respondents could measure, Facebook, Twitter and YouTube, three of the more popular social media sites of the day, could all be measured by a significant percentage of respondents.

Most of the literature addressing measurement of social media came from industry sources. Academic literature addressing whether and how companies were measuring social media as a marketing tool did not go into great detail. This academic study addresses the dual issues of whether and how firms (in particular, the Fortune 500) are measuring social media as a marketing tool and offers suggestions for future research.

It's interesting to point out that there was cohesion found with how respondents perceived the importance of social media as a marketing tool and how they actually measured its effectiveness (Figure 4.4). The perception average variable was correlated with the "how" questions which explored how respondents either measured or approached the measurement of social media as a marketing tool. The questions were taken directly from the literature and were based on how notable social media professionals had approached and measured social media. The

perception average variable correlated highly with many of the *how* questions. In particular, the establishing of benchmarks before launching a campaign; the establishing of different benchmarks and objectives for different social media efforts; the development of metrics after setting objectives; conducting research before implementing a campaign; their preference for or against qualitative metrics; and how they tweak and respond to a campaign. Thus, the pool of respondents both perceived social media to be a very important marketing tool and approached and measured the effectiveness of social media in the same way. The respondents seemed to answer the perception questions the same as they answered many of the “how do you measure” questions.

**Figure 4.4: Perception and Measurement Correlation**



**Figure 4.4:** *This figure illustrates the significant overlap found in the research between how the professionals perceived the importance of social media as a marketing tool and how they measured it. Many of the answers to survey questions measuring perception had significant correlations with questions concerning how the respondents approached and measured social media as a marketing tool. These correlations need to be studied further in future research.*



## CHAPTER FIVE

### Conclusion

The study found that the Fortune 500 was not, as a whole, particularly active in social media spaces. The social media snapshot found that less than 50% of the entire Fortune 500 had official Twitter and Facebook accounts for their companies. These numbers were substantially lower (nearly 20% lower) than the numbers discussed in the Burson-Marsteller report that only looked at the social media fingerprint of the Fortune 100.

The respondents to the survey collectively perceived social media to be an important marketing tool. Though they found it to be an effective way to reach customers, there was skepticism as to whether or not social media had “proven” to be an effective marketing tool.

Respondents to the survey were very split, almost evenly, when it came to *how* they measured social media as a marketing tool. Some valued the establishment of benchmarks before launching a campaign, while others believed developing metrics after setting objectives was a better way to approach measuring effectiveness. Some respondents preferred quantitative metrics to qualitative metrics. The greatest consensus among respondents on *how* they measured the effectiveness of social media as a marketing tool came when 60.9% (Table 4.13) of survey participants stated that they “always” responded to and tweaked the effects

of a social media campaign when determining measurement (though not an overwhelming number by any means).

The respondents did seem to have a healthy grasp of measuring social media. In fact, over 60% of respondents had a way of measuring the effectiveness of an official Facebook fanpage, official Twitter account and branded YouTube account. Though the respondents *could* measure the effectiveness of various digital assets, such metrics are often *not* included in the ROI calculation of a marketing campaign. This lack of inclusion could be due to the fact that social media are still treated as condiments at many Fortune 500 companies and not central marketing ingredients. Thus, social media's still-peripheral status may be the reason why their effectiveness is not always calculated.

In the end, it was clear that the method chosen, a Qualtrics online survey, was not the best way to gain insight into this topic. A qualitative, in-depth interview method would have proven to be more effective at really penetrating this topic and exploring how communication professionals at America's largest, most prestigious companies view, use and measure social media as a marketing tool. The amount of emails, posts and comments received over the course of this study are evidence of the complex, multifaceted viewpoints and opinions that surround social media - highly involved opinions best explored through the lens of in-depth interviews. Here is a list of future research questions to be explored:

- Who really drives the push towards adoption of social media as a marketing tool  
– the communications professional, the corporate executive or middle management?
- Is there tension in Fortune 500 companies between communications professionals and other corporate entities?
- Are small businesses truly the epicenter of the social media revolution? Are small businesses using social media tools more widely than the Fortune 500?
- What is the effect of small businesses adopting social media as a marketing tool?  
What effect could this have on the Fortune 500?

One of the most unexpected issues encountered over the course of this study dealt with the low response rate. As mentioned, the response rate was only around 10%. A myriad of barriers prevented a higher response rate, including the fact that many Fortune 500 companies have policies against employees participating in surveys or student-led projects. Furthermore, the recruitment method used was very Twitter-centric. This did not take into account that many of these companies may not, in fact, have Twitter accounts, or accounts that were not particularly active. However, it is important to point out that though the response rate was low, the study did offer some interesting insight into what social media assets the Fortune 500 are using, how they perceive its importance as a marketing tool and how companies on the list measure social media's effectiveness.

This study offers a significant contribution to the academic literature in that it is one of the first studies to directly address whether and how companies are measuring social media as a marketing tool. Moreover, through its exploration into perceptions of communications professionals, this study offers insight into how the corporate world is adjusting to recent changes in media and how those changes affect advertising and marketing practices.

## **Appendix A: The Questionnaire**

Hello,

Thank you for taking the time to participate in this interactive survey entitled “How the Fortune 500 Measures the Effectiveness of Social Media as a Marketing Tool.” Your participation is very important because it will help us better understand how the fastest growing companies in America are measuring the effectiveness of social media marketing. Upon your request, I can send you a summary of results once the study is completed. This page explains how to complete the survey.

Over the course of the survey, you will be asked a series of questions about how you and your company value the importance of social media as a marketing tool and how the effectiveness of such tools is measured.

Social media is defined as online media published or shared by individuals and organizations in an environment that encourages significant individual participation. Social media can include text, audio, video, images, podcasts, and other multimedia communications. Some examples of social media include Twitter, Facebook, YouTube, and MySpace.

The survey will only take approximately 20 minutes to complete. After each question, you can click NEXT to move to the next question. Your participation is completely voluntary and your responses will be kept strictly confidential. Reports that reference or include demographic information will be general, grouping respondents into broad demographic categories rather than pointing out specific or individual respondent answers so as to ensure this confidentiality. By clicking NEXT, you may skip any questions that you prefer not to answer for any reason. You may choose to stop participating at any time during the survey. Even though the survey will take only about 20 minutes, please note that you don't need to finish the entire survey in one sitting. You will be able to return and continue the survey where you left off by clicking on the link in your email.

If you have any questions or comments about the survey, you may contact me, Jesse Grainger, at [jggraing@email.unc.edu](mailto:jggraing@email.unc.edu). You may also contact my faculty adviser, Dr. Debashis "Deb" Aikat, at [da@unc.edu](mailto:da@unc.edu).

Additionally, if you have questions or concerns about your rights as a research subject, you may contact (anonymously if you wish) the Institutional Review Board at 919-966-3113 or by email at [IRB\\_subjects@unc.edu](mailto:IRB_subjects@unc.edu). If you wish to contact the IRB, please reference study number 10-0235.

When you click NEXT after the last question, a screen will appear to notify you that you have completed the survey and that your answers have been recorded.

Thank you for your time and participation. Click NEXT to begin.

We begin the questionnaire with a series of general questions about your and your company's perceptions of social media as a marketing tool. Indicate whether you strongly disagree (0) or strongly agree (7) with the following statements. Select N/A if not applicable.

**Perceptions of the importance of social media as a marketing tool.**

	Click to write the question text								
	0	1	2	3	4	5	6	7	N/A
<b>Social media have emerged as an important marketing tool.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media offer effective ways to interact with the consumer.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media offer effective ways to reach new consumers.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media are central components of my company's marketing efforts.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media are peripheral components of my company's marketing efforts.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>My company is skeptical about the effectiveness of social media.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media are growing in significance as a marketing tool at my company.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Social media are</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Click to write the question text

0 1 2 3 4 5 6 7 N/A

**over-hyped as effective marketing tools.**

**Social media are used more than people realize as marketing tools.**

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

**I am always brainstorming about new ways to apply social media as a marketing tool.**

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

**Social media are always considered when designing a marketing campaign.**

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

**Social media have proven to be effective marketing tools.**

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

My company employs the following social media tools:

- ☐ Facebook
- ☐ Twitter
- ☐ YouTube
- ☐ MySpace
- ☐ LinkedIn
- ☐ Live Journal
- ☐ Vimeo
- ☐ Second Life
- ☐ none of the above

If there are any other social media tools your company employs, please add below.

The following statement refers to IF your company measures the effectiveness of various social media marketing tools. Mark either “yes,” “no,” or “maybe” for the following statements.

The implementation of social media as a marketing tool figures in to the calculation of ROI for a campaign.

- ☐ Yes
- ☐ No
- ☐ Maybe

Do you believe that social media should be measured as a marketing tool?

- ☐ Yes
- ☐ No
- ☐ Maybe

### Questions about the calculation of ROI

**My company is able to calculate the effectiveness of the following:**

	Yes	No	Maybe
Click-through rates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Eye tracking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rollover rates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Page views	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Website visits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bounce rates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Average time spent on website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New website visits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct traffic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Referring sites	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Visitor loyalty	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An official Facebook account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
User-generated Facebook fan pages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An official MySpace account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An official Twitter account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Official blog	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



<b>My company is able to calculate the effectiveness of the following:</b>			
	<b>Yes</b>	<b>No</b>	<b>Maybe</b>
<b>Mobile applications</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Branded YouTube account</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Vimeo account</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The remainder of the questions/statements deal with HOW you either measure or approach the measurement of the effectiveness of social media as a marketing tool.

	<b>Always</b>	<b>Sometimes</b>	<b>Never</b>
<b>Do you establish objectives and benchmarks for social media efforts before implementing a strategy?</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Do you establish different objectives and benchmarks for different social media efforts?</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Do you develop metrics for success once you've set those objectives?</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Do you conduct research before implementing a social media strategy?</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>My company prefers qualitative metrics for social media efforts.</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>My company prefers quantitative metrics for social</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Always	Sometimes	Never
media efforts. Do you allow for lag time when analyzing results for social media efforts?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you tweak, change, and respond to the progression of a social media campaign?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which of the following quantitative metrics do you use to measure social media marketing effectiveness?

- number of backlinks pre- and post-campaign
- number of site visits
- number of social network friends
- number of comments
- number of profile views
- number of blog posts before and after campaign
- number of positive network connections
- none of the above

Add any other quantitative metrics you would like to suggest.

Which of these qualitative metrics do you use?

- Growth in consumer knowledge about company/product
- Growth in on-topic consumer conversations
- Audience participation
- Sentiment of conversations about your company versus competitors
- Entrance into conversations company previously was not a part of
- Moving from monologue to dialogue with consumers
- Growth of relationships with key audiences

Add any other qualitative metrics you would like to suggest.

Here are some general open-ended demographic questions.

What is/are the primary product(s) and/or service(s) that your company offers?

What is your age?

What is your gender?

- Male
- Female

What is your professional title?

Where is your company's headquarters located (city, state)?

Where is your office located (city, state)?

If you have anything to add to my survey, such as measurements your company uses to measure ROI, suggestions for further research, or issues that I have not covered and need to consider, please leave a comment in the box below. Your feedback about these pressing issues will be greatly appreciated.

Thank you so much for participating in my survey. As you know, the changing media environment and the corresponding rise of social media have made marketing and advertising both a fascinating and challenging world. The more we know about how social media work and how the marketing industry as a whole can use social media to its advantage, the closer we come to more accurately navigating the digital world.

## **APPENDIX B: IRB APPROVAL**

**Approval Date:** 2/15/2010

**Expiration Date of Approval:** 2/14/2011

**RE:** Notice of IRB Approval by Expedited Review (under 45 CFR 46.110)

**Submission Type:** Initial

**Expedited Category:** 7.Surveys/interviews/focus groups

**Study #:** 10-0235

**Study Title:** Measuring Relationships: How the Fortune 500 is Measuring the Effectiveness of Social Media as a Marketing Tool

This submission has been approved by the above IRB for the period indicated. It has been determined that the risk involved in this research is no more than minimal.

### **Study Description:**

**Purpose:** To explore companies' perceptions of social media as a marketing tool. In addition, to find out if companies have ways to measure how effective a social media marketing campaign is.

**Participants:** Social media marketing professional at each of the companies listed on the 2009 Fortune 500 list.

**Procedures:** Conduct a web survey using qualtrics.

### **Regulatory and other findings:**

This research meets criteria for a waiver of written (signed) consent according to 45 CFR 46.117(c)(2).

### **Investigator's Responsibilities:**

Federal regulations require that all research be reviewed at least annually. It is the Principal Investigator's responsibility to submit for renewal and obtain approval before the expiration date. You may not continue any research activity beyond the expiration date without IRB approval. Failure to receive approval for continuation before the expiration date will result in automatic termination of the approval for this study on the expiration date.

When applicable, enclosed are stamped copies of approved consent documents and other recruitment materials. You must copy the stamped consent forms for use with subjects unless you have approval to do otherwise.

You are required to obtain IRB approval for any changes to any aspect of this study before they can be implemented (use the modification form at [ohre.unc.edu/forms](https://ohre.unc.edu/forms)). Any unanticipated problem involving risks to subjects or others (including adverse events reportable under UNC-Chapel Hill policy) should be reported to the IRB using the web portal at <https://irbis.unc.edu/irb>.

Researchers are reminded that additional approvals may be needed from relevant "gatekeepers" to access subjects (e.g., principals, facility directors, healthcare system).

This study was reviewed in accordance with federal regulations governing human subjects research, including those found at 45 CFR 46 (Common Rule), 45 CFR 164 (HIPAA), 21 CFR 50 & 56 (FDA), and 40 CFR 26 (EPA), where applicable.

CC:Debashis Aikat, Journalism/mass Communication  
Francesca Carpentier, (School of Journalism and Mass Communication), Non-IRB  
Review Contact

IRB Informational Message—please do not use email REPLY to this address

## REFERENCES

- Allsop, D. T., Bassett, B. R., & Hoskins, J. A. (2007). Word-of-mouth research: Principles and applications. *Journal of Advertising Research*, 398-411.
- Barnes, N. G. (2008). Society for new communications research study: Exploring the link between customer care and brand reputation in the age of social media. *Journal of New Communications Research*, 3(1), 86-91.
- Barnes, N. G. & Mattson, E. (2008). Social media in the Inc. 500: The first longitudinal study. *Journal of New Communications Research*, 3(1), 74-78.
- Berkowitz, D., Allaway, A., & D'Souza, G. (2001). The impact of differential lag effects on the allocation of advertising budgets across media. *Journal of Advertising Research*, 27-36.
- Burns, K. S. (2008). The misuse of social media: Reactions to and important lessons from a blog fiasco. *Journal of New Communications Research*, 3(1), 41-54.
- Burson-Marsteller. (2010). *The Global Social Media Check-up: Insights from the Burson-Marsteller Evidence-based Communications Group*. Retrieved from: [http://www.bursonmarsteller.com/Innovation\\_and\\_insights/blogs\\_and\\_podcasts/BM\\_Blog/Lists/Posts/Post.aspx?ID=160](http://www.bursonmarsteller.com/Innovation_and_insights/blogs_and_podcasts/BM_Blog/Lists/Posts/Post.aspx?ID=160).
- Cashmore, P. (2009). What is mashable? Retrieved 2009, November 19 from <http://mashable.com/about/>.
- Crosby, L. A. (2009). Getting serious about marketing ROI. *Marketing Management*, 10-11
- DiMaggio, P.J. & Powell, W. (1983). , The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48, 147-60.
- Edelman, D. C. (2007). From the periphery to the core: As online strategy becomes overall strategy, marketing organizations and agencies will never be the same. *Journal of Advertising Research*, 130-134.
- Godin, S. (1999). *Permission Marketing: Turning Strangers into Friends, and Friends into Customers*. New York, NY: Simon & Schuster.
- Huang, C., Shen, Y., Lin, H., & Chang, S. (2007). Bloggers' motivations and behaviors: A model. *Journal of Advertising Research*, 472-484.

- Iyer, G., Soberman, D., & Villas-Boas, J. M. (2005). The targeting of advertising. *Marketing Science*, 24(3), 461-476.
- Koutalakis, S. (2009, September 1). New Mzinga survey reveals 86 percent of organizations use social technologies for business purposes [Web log post]. Retrieved 2009, November 21 from <http://www.mzinga.com/company/newsdetail.asp?lang=en&newsID=252&strSection=company&strPage=news>
- Li, C. & Bernoff, J. (2008). *Groundswell: Winning in a world transformed by social technologies*. Boston, MA: Harvard Business Press.
- McGee, M. (2010, February 24). More Small Business Using Social Media. Retrieved from <http://www.smallbusinesssem.com/more-small-businesses-using-social-media/2847/>.
- McKee, S. (2009, January 16). Why Social Media is Worth Small Business Owners' Time. Retrieved from [http://www.businessweek.com/smallbiz/content/jan2009/sb20090116\\_666697.htm](http://www.businessweek.com/smallbiz/content/jan2009/sb20090116_666697.htm).
- Meyer, J.W. & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *The American Journal of Sociology*, 83(2), 340-363.
- Naik, P. A., Mantrala, M. K., & Sawyer, A. G. (1998). Planning media schedules in the presence of dynamic advertising quality. *Marketing Science*, 17(3), 214-235.
- Neff, J. (2008). Industry unleashes flood of studies to prove worth. *Advertising Age* 79(32), 3-24.
- Ostrow, A. (2009, August 14). Stats: Two-thirds of marketers now use social media [Web log post]. Retrieved 2009 October 12 from <http://mashable.com/2009/08/14/social-media-marketers/>
- Ostrow, A. (2009, August 26). Stats: Social media resistance is fading fast [Web log post]. Retrieved 2009, October 20 from <http://mashable.com/2009/08/26/social-media-brand-marketers/>
- Ostrow, A. (2009, August 31). Half of social media users connect with brands [Web log post]. Retrieved from <http://mashable.com/2009/08/31/social-media-brands/>
- Ostrow, A. (2009, December 4). Awesome visualization of social media around the globe [Web log post]. Retrieved 2009, November 3 from <http://mashable.com/2009/12/04/social-media-usage-global/>
- Schafer, I. (2008, May 5). We better start monetizing social media before it's too late. *Advertising Age*, 28-29.

- Smith School News (2010). *Social Media Adoption By U.S. Small Businesses Doubles Since 2009*. Retrieved from <http://www.rhsmith.umd.edu/news/releases/2010/021610.aspx>.
- Smith, T., Coyle, J.R., Lightfoot, E., & Scott, A. (2007). Reconsidering models of influence: The relationship between consumer social networks and word-of-mouth effectiveness. *Journal of Advertising Research*, 387-397.
- Social Media. (2009, December 11). In *Wikipedia, the free encyclopedia*. Retrieved November 28, 2009, from [http://en.wikipedia.org/wiki/Social\\_media](http://en.wikipedia.org/wiki/Social_media)
- Teich, A. (2008). Using company blogs to win over decision makers. *Pub Res Q*, 24, 261-266.
- Tobin, J. (2008). *Social media is a cocktail party: Why you already know the rules of social media marketing*. Cary, NC: Author.
- Uhrmacher, A. (2008, July 31). How to measure social media ROI for business [Web log post]. Retrieved 2009, October 29 from <http://mashable.com/2008/07/31/measuring-social-media-roi-for-business/>
- Warren, C. (2009, September 22). Stats: 84% of social media programs measure ROI [Web log post]. Retrieved 2009, October 1 from <http://mashable.com/2009/09/22/social-media-programs-roi/>
- Warren, C. (2009, October 27). How to: Measure social media ROI [Web log post]. Retrieved 2009, December 1 from <http://mashable.com/2009/10/27/social-media-roi/>
- White-Cabbell, R. (2009, July 15). Social media ROI: What do you measure? [Web log post]. Retrieved from [http://blogs.cisco.com/ciscotalk/marketing/comments/social\\_media\\_roi\\_what\\_do\\_you\\_measure/](http://blogs.cisco.com/ciscotalk/marketing/comments/social_media_roi_what_do_you_measure/)
- Wimmer, Roger D. & Dominick, JR. (2006). *Mass Media Research: An Introduction*. Belmont, CA: Thomson Wadsworth.
- Yoon, S., & Kim, J (2001). Is the Internet more effective than traditional media? Factors affecting the choice of media. *Journal of Advertising Research*, 53-60.
- York, E. (2008). Kellogg says ROI on digital trounced TV by 'factor of 2'. *Advertising Age* 79(33), 13-14.



